



REDEVELOPMENT AGENCY
MEETING DATE: April 23, 2003

**Workshop for Santa Clara County's
Courthouse Project**

RECOMMENDED ACTION(S): Provide comments on the schematic design for the County of Santa Clara's Morgan Hill Courthouse Campus project.

Agenda Item # 1

Approved By:

BAHS Director

Submitted By:

Executive Director

EXECUTIVE SUMMARY: On March 27th, the Redevelopment Agency held a workshop to discuss the schematic design for the Morgan Hill Courthouse Campus which includes the Courthouse and Justice Agencies Building. The workshop was an interactive discussion with the County of Santa Clara's General Service Agency staff and their architectural design team regarding the schematic design of the facility.

Upon the conclusion of the workshop, the County agreed to consider the Agency's comments and would let us know their response. Subsequent to that meeting, County staff informed the Council at the Council's April 2, 2003 meeting to review the DEIR for the Courthouse that the County would be willing to participate in a follow-up workshop to discuss proposed revisions to the schematic design. On April 10th, City staff attended a design steering committee meeting with the County to review the proposed revisions to the schematic design. At this workshop, the County will present its proposed revisions to the schematic design to address the issues and concerns raised by the Agency at the last workshop.

FISCAL IMPACT: None



CITY COUNCIL STAFF REPORT

MEETING DATE: *April 23, 2003*

Agenda Item # 2

Prepared/Approved
By:

Council Services and
Records Manager/
City Clerk

Submitted By:

City Manager

LIBRARY AND PARKS & RECREATION COMMISSION INTERVIEWS

RECOMMENDED ACTIONS:

1. **Conduct** interviews
2. **Continue** interviews/appointments to fill four (4) vacancies on the Library Commission and three (3) vacancies to the Parks and Recreation Commission to April 30, 2003

EXECUTIVE SUMMARY:

Library Commission

Four terms of office expired on April 1 on the Library Commission. However, the City Council extended the terms of the four Library Commissioners to the end of April 2003 in order to allow the City Council time to interview/appointment. The City Clerk solicited applications to fill the four vacancies. Five applications have been received from the following individuals: 1) Jeanne Gregg; 2) Kathleen Keeshen; 3) George Nale; 4) Ruth Phebus; and 5) Kathleen Stanaway. Staff has attached their applications to the staff report.

Parks and Recreation Commission

Three terms of office for the Parks and Recreation Commission are due to expire on May 1, 2003. The City Clerk's office solicited applications to fill these three vacancies. Eight applications were received from the following individuals: 1) Jess Ambriz; 2) Robert L. Graham; 3) Laura Hagiperos; 4) Nancy Harris; 5) Don Jensen; 6) Rick Page; 7) Marlon Spencer; and 8) Craig Van Keulen. Staff has also attached their applications to the staff report.

Chapter 2.22.010B of the Morgan Hill Municipal Code states that "Unless otherwise set forth, all members of boards and commissions shall be residents of and registered voters in the City..." Chapter 2.32.020 of the Municipal Code that governs the Parks and Recreation Commission, Memberships, authorizes the appointment of seven (7) members to the Parks and Recreation Commission, at least five of which must be residents of the City of Morgan Hill. Chapter 2.68.020 of the Municipal Code that governs the Library Commission, Membership, authorizes the appointment of up to nine (9) members, at least four of whom shall be residents of the City of Morgan Hill. Staff verified residency requirements for all applicants. All but two applicants reside within the city limits. The two applicants who do not reside within the city limits do reside in the City's sphere of influence: Kathleen Stanaway (Library Commissioner applicant) and Jesus Ambriz (Parks and Recreation Commissioner applicant). The only other current member who resides out side of the City Limits but within the City's Sphere of Influence is Charles Cameron who currently serves on the Library Commission.

Staff recommends that the City Council interview applicants for the Library Commission followed by the individuals wishing to serve on the Parks and Recreation Commission. Staff has been contacted by Ruth Phebus, Laura Hagiperos, Nancy Harris, and Don Jensen who indicate that they would not be available to interview on April 23 due to prior vacation commitments. Staff recommends that the City Council continue the interviews for these four applicants to April 30 to allow these individuals the opportunity to interview before the City Council. Upon conclusion of the interview process on April 30, staff recommends that the Council appoint to fill four vacancies on the Library Commission and three vacancies to the Parks and Recreation Commission.

FISCAL IMPACT: The time necessary to prepare this report is accommodated in the Council Services and Records Manager's operating budget.



REDEVELOPMENT AGENCY
STAFF REPORT

MEETING DATE: April 23, 2003

MARCH 2003 FINANCE & INVESTMENT REPORT

RECOMMENDED ACTION:

Accept and File Report

EXECUTIVE SUMMARY: Attached is the monthly Finance and Investment Report of the Redevelopment Agency of the City of Morgan Hill for the month of March 2003. The report covers activity for the first nine months of the 2002/2003 fiscal year. A summary of the report is included on the first page for the Board's benefit.

The Redevelopment Agency monthly Finance and Investment Report is presented to the Agency Board and our Citizens as part of our ongoing commitment to improve and maintain public trust through communication of our finances, budget and investments. The report also serves to provide the information necessary to determine the adequacy/stability of financial projections and develop equitable resource/revenue allocation procedures.

This report covers all fiscal activity of the Redevelopment Agency.

FISCAL IMPACT: As presented.

Agenda Item # 3

Prepared By:

Finance Director

Submitted By:

Executive director



REDEVELOPMENT AGENCY OF THE CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2002/03
FOR THE MONTH OF MARCH 2003 - 75% OF YEAR COMPLETE

This analysis of the Redevelopment Agency's financial status reflects 75% of the fiscal year.

Revenues

Through March, the Redevelopment Agency received \$11,508,681 in property tax increment revenues; this is expected. Most property taxes are received in December and April. The Redevelopment Agency, as of March 31, 2003, has collected \$100,000,000 in tax increment revenue under the original plan and \$50,880,394, net of pass-through obligations to other agencies, toward the plan amendment cap of \$147,000,000. Since the \$100 million tax increment cap for the original plan was reached during 1999/2000, all tax increment revenues collected during 2002/2003 are being collected under the plan amendment.

Interest and rental income of \$298,134 reflects interest income received through the first two quarters. Interest earnings for the third quarter ended March 31 will be posted in April. 'Other Revenues' represent charges for current services and total \$45,963.

Expenditures

Total Redevelopment Agency Capital Projects expenditures and encumbrances equal \$17,011,184 and are 52% of budget. Of this total, \$2,015,113 represents encumbrances for capital projects and other commitments. Expenditures for administrative costs for employee services, supplies, and contract services were 68% of budget. During July, the Agency made a \$2.55 million installment payment towards the purchase of the Sports Complex. During September, the Agency spent \$452,977 on property acquisitions related to the Indoor Recreation Center and Butterfield Blvd. Phase IV projects. During October, the Agency placed \$100,000 into escrow for the purchase of the Courthouse Facility property. During November, the Agency placed approximately \$318,000 into escrow for purchase of property for the Butterfield Blvd. Phase IV street project. All Capital Projects expenditures during 2002/03 have used monies collected under the plan amendment.

Budgeted expenditures plus encumbrances for Housing are at 28% of the budget for a total of \$1,963,261. Although certain loans and grants for various housing loan and grant programs have been committed, the related funds have not yet been drawn down by the recipients and, hence, are not reflected in the expenditures. All of the 2002/03 housing related expenditures have been funded with tax increment collected under the plan amendment.

Fund Balance

The unreserved fund balance of \$12,999,942 for the Capital Projects Fund at March 31, 2003, consisted entirely of monies collected under the plan amendment. The unreserved fund balance of \$12,999,942 at March 31 included future obligations to pay an additional \$6.9 million for the Courthouse Facility, an additional \$3,250,000 for purchase of the Gundersen property, an additional \$2.55 million for a sports complex, and \$1.61 million for the Lomanto property should the Agency agree to execute its option to purchase in accordance with the agreement. If all of these future commitments are subtracted from the \$12,999,942, the remaining negative unreserved fund balance at March 31 would be a negative (\$1,310,058). However, these commitments are expected to be paid out over the next 3 years and to reduce current resources by only an estimated additional \$3.4 million in 2002/03.

The unreserved fund balance of \$4,374,798 for the Housing Fund at March 31 consisted of funds all collected under the plan amendment.

**REDEVELOPMENT AGENCY OF
THE CITY OF MORGAN HILL**

Monthly Financial and Investment Reports

March 31, 2003 – 75% Year Complete



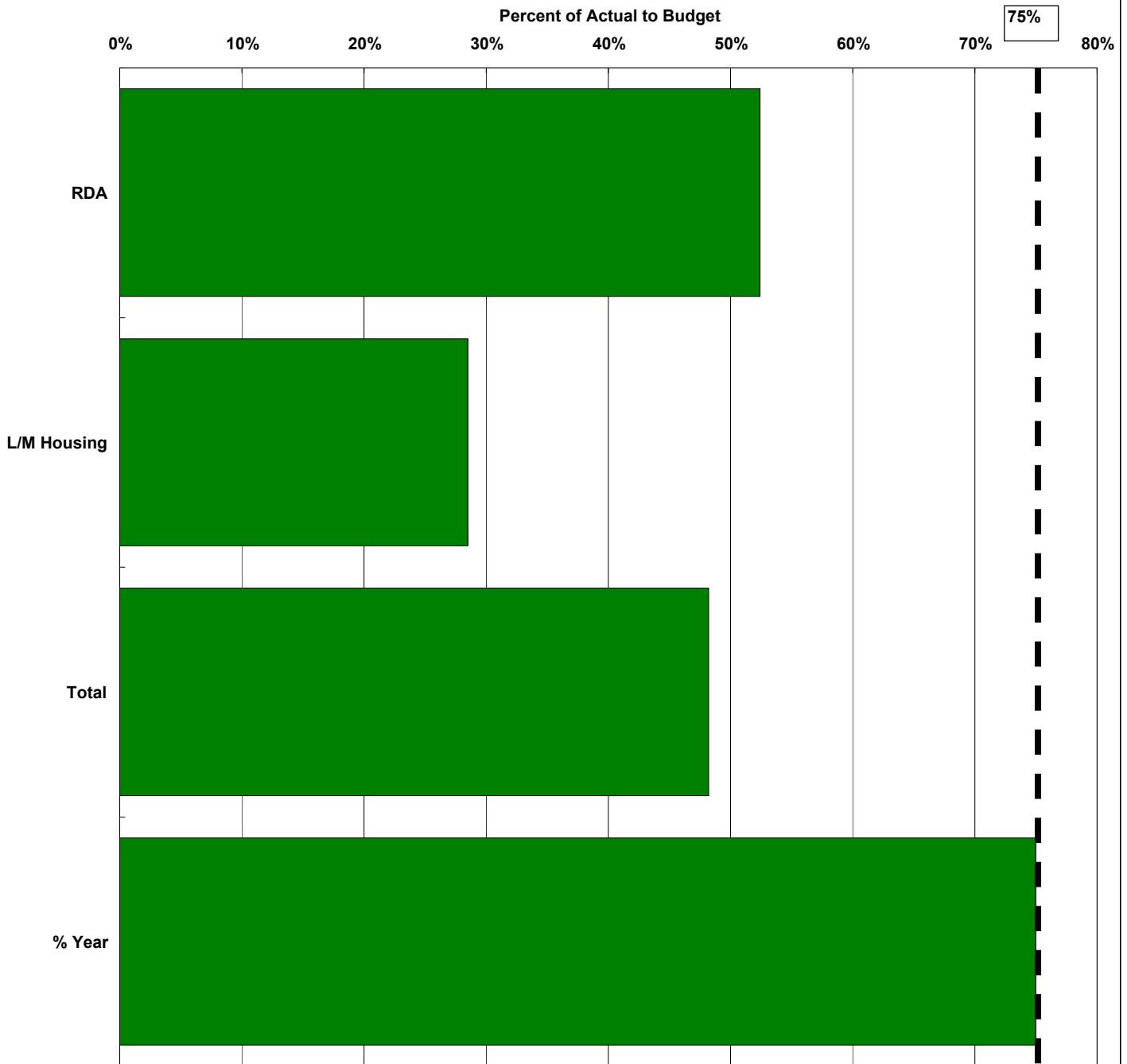
**CITY OF MORGAN HILL
REDEVELOPMENT AGENCY**

Prepared by:

FINANCE DEPARTMENT



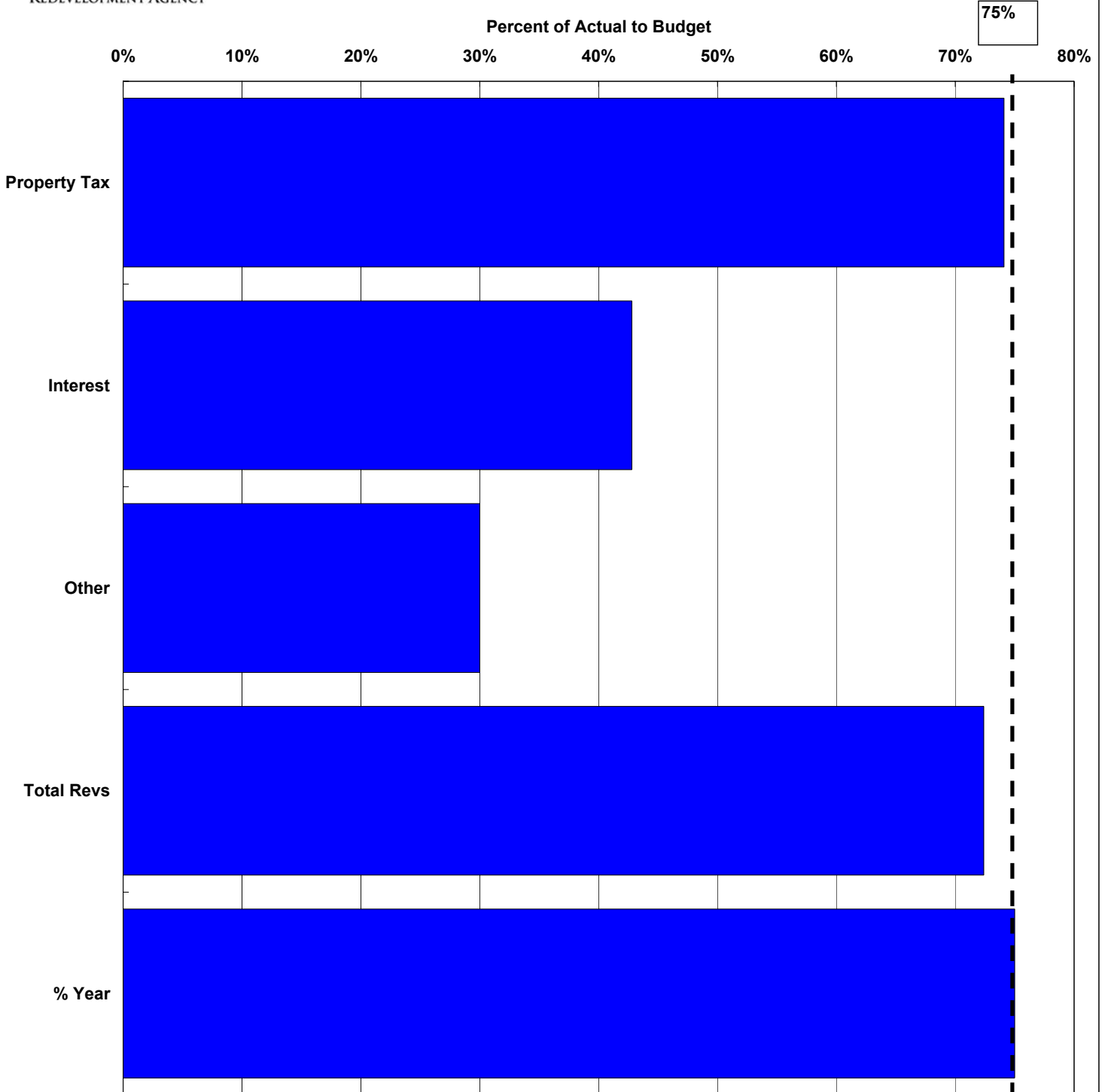
Redevelopment Agency YTD Expenditures



Expenditure Category	Budget	Actual Plus Encumbrances	% of Budget
CAPITAL PROJECTS	\$32,464,906	\$17,011,184	52%
HOUSING	6,888,925	1,963,261	28%
TOTALS	\$39,353,831	\$18,974,445	48%



Redevelopment Agency YTD Revenues



REVENUE CATEGORY	BUDGET	ACTUAL	% OF BUDGET	PRIOR YEAR TO DATE	% CHANGE FROM PRIOR YEAR
PROPERTY TAXES	\$15,522,000	\$11,508,681	74%	\$9,851,720	17%
INTEREST INCOME/RENTS	\$695,853	\$298,134	43%	\$610,007	-51%
OTHER REVENUE	\$153,090	\$45,963	30%	\$485,318	-91%
TOTALS	\$16,370,943	\$11,852,778	72%	\$10,947,045	8%



Redevelopment Agency
 Fund Balance Report - Fiscal Year 2002/03
 For the Month of March 2003
 75% of Year Complete

Fund No.	Fund	Fund Balance 06-30-02	Revenues		Expenditures		Year to-Date Deficit or Carryover	Ending Fund Balance		Cash and Investments	
			YTD Actual	% of Budget	YTD Actual	% of Budget		Reserved ¹	Unreserved	Unrestricted	Restricted
317	CAPITAL PROJECTS	\$22,668,149	9,291,192	72%	14,996,071	46%	(5,704,879)	3,963,329	12,999,942	14,997,246	
327/328	HOUSING	\$20,823,005	2,561,586	72%	1,888,974	27%	672,612	17,120,819	4,374,798	4,452,102	
TOTAL CAPITAL PROJECT FUNDS		\$43,491,154	11,852,778	72%	16,885,045	43%	(5,032,267)	21,084,148	17,374,740	19,449,348	
SUMMARY BY FUND TYPE											
CAPITAL PROJECTS GROUP		\$43,491,154	11,852,778	72%	16,885,045	43%	(5,032,267)	21,084,148	17,374,740	19,449,348	
TOTAL ALL GROUPS		\$43,491,154	11,852,778	72%	16,885,045	43%	(5,032,267)	21,084,148	17,374,740	19,449,348	
TOTAL CASH AND INVESTMENTS										19,449,348	

¹ Amount reserved for encumbrances, fixed asset replacement, long-term receivables



Redevelopment Agency
Year to Date Revenues - Fiscal Year 2002/03
For the Month of March 2003
75% of Year Complete

FUND REVENUE SOURCE	ADOPTED BUDGET	AMENDED BUDGETED	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCREASE (DECREASE) FROM PRIOR YTD	% CHANGE
CAPITAL PROJECTS FUNDS							
317 CAPITAL PROJECTS							
Property Taxes & Supplemental Roll	12,084,000	12,084,000	9,027,512	75%	7,722,269	1,305,243	17%
Development Agreements	-	-	-	n/a	-	-	n/a
Interest Income, Rents	595,853	595,853	218,437	37%	530,428	(311,991)	-59%
Other Agencies/Current Charges	<u>152,500</u>	<u>152,500</u>	<u>45,243</u>	<u>30%</u>	<u>484,758</u>	<u>(439,515)</u>	<u>-91%</u>
TOTAL CAPITAL PROJECTS	<u>12,832,353</u>	<u>12,832,353</u>	<u>9,291,192</u>	<u>72%</u>	<u>8,737,455</u>	<u>553,737</u>	<u>6%</u>
327/328 HOUSING							
Property Taxes & Supplemental Roll	3,438,000	3,438,000	2,481,169	72%	2,129,451	351,718	17%
Interest Income, Rent	100,000	100,000	79,697	80%	79,579	118	0%
Other	<u>590</u>	<u>590</u>	<u>720</u>	<u>122%</u>	<u>560</u>	<u>160</u>	<u>29%</u>
TOTAL HOUSING	<u>3,538,590</u>	<u>3,538,590</u>	<u>2,561,586</u>	<u>72%</u>	<u>2,209,590</u>	<u>351,996</u>	<u>16%</u>
TOTAL CAPITAL PROJECTS FUNDS	16,370,943	16,370,943	11,852,778	72%	10,947,045	905,733	8%



Redevelopment Agency
Year to Date Expenditures - Fiscal Year 2002/03
For the Month of March 2003
75% of Year Complete

FUND NO.	FUND/ACTIVITY	THIS MONTH ACTUAL EXPENDITURES	ADOPTED BUDGET	AMENDED BUDGET	YTD EXPENDITURES	OUTSTANDING ENCUMBRANCES	TOTAL ALLOCATED	% OF TOTAL TO BUDGET
317 CAPITAL PROJECTS								
	BAHS Administration	94,358	1,234,039	1,379,801	833,649	105,876	939,525	68%
	BAHS Economic Development	58,239	5,348,370	5,396,069	456,625	54,879	511,504	9%
	BAHS CIP	<u>606,689</u>	<u>12,771,000</u>	<u>25,689,036</u>	<u>13,705,797</u>	<u>1,854,358</u>	<u>15,560,155</u>	<u>61%</u>
	TOTAL CAPITAL PROJECTS	<u>759,286</u>	<u>19,353,409</u>	<u>32,464,906</u>	<u>14,996,071</u>	<u>2,015,113</u>	<u>17,011,184</u>	<u>52%</u>
327 AND 328 HOUSING								
	Housing	<u>156,238</u>	<u>6,313,976</u>	<u>6,888,925</u>	<u>1,888,974</u>	<u>74,287</u>	<u>1,963,261</u>	<u>28%</u>
	TOTAL HOUSING	<u>156,238</u>	<u>6,313,976</u>	<u>6,888,925</u>	<u>1,888,974</u>	<u>74,287</u>	<u>1,963,261</u>	<u>28%</u>
	TOTAL CAPITAL PROJECT FUND	915,524	25,667,385	39,353,831	16,885,045	2,089,400	18,974,445	48%



Redevelopment Agency of the City of Morgan Hill
Balance Sheet Report - Fiscal Year 2002/03
For the Month of March 2003
75% of Year Complete

	CAPITAL PROJECTS (Fund 317)	Housing (Fund 327/328)
ASSETS		
Cash and investments:		
Unrestricted	14,997,246	4,452,102
Accounts Receivable	34,101	9,465
Loans and Notes Receivable ¹	2,877,138	22,623,383
Advance to Other Funds		
Fixed Assets ²	71,049	
Other Assets		
Total Assets	17,979,534	27,084,950
LIABILITIES		
Accounts Payable and Accrued Liabilities	11,047	10,319
Deferred Revenue ³	999,969	5,576,852
Accrued Vacation and Comp Time	5,249	2,162
Total liabilities	1,016,265	5,589,333
FUND BALANCE		
Fund Balance		
Reserved for:		
Encumbrances	2,015,113	74,287
Advance to Other Funds		
Properties Held for Resale	71,049	
Loans and Notes Receivable	1,877,167	17,046,532
Total Reserved Fund balance	3,963,329	17,120,819
Unreserved Fund Balance	12,999,940	4,374,798
Total Fund Balance	16,963,269	21,495,617
Total Liabilities and Fund Balance	17,979,534	27,084,950

¹ Includes Housing Rehab loans and loans for several housing and Agency projects.

² Includes RDA properties held for resale.

³ Includes the deferred payment portion of the loans noted above.



REDEVELOPMENT AGENCY

STAFF REPORT

MEETING DATE: APRIL 23, 2003

**TITLE: NOLL & TAM ARCHITECTS ADDITIONAL
PREPARATION OF CYCLE I LIBRARY BOND ACT OF
2000 GRANT APPLICATION SUBMITTED JUNE 13, 2002.**

RECOMMENDED ACTION(S): Authorize amendment of contract agreement with Noll & Tam architects to provide additional services in the preparation of the Cycle I Library Bond Act of 2000 grant application not to exceed \$20,000.

EXECUTIVE SUMMARY: Noll & Tam Architects has been under contract with the City to provide master planning services, architectural and engineering design and aid in the preparation of the Cycle I Library Bond Act of 2000 grant application for the construction of the Morgan Hill Public Library.

In the preparation of the grant application, Noll & Tam designed and printed the required graphics and maps, aided in the production of a video, which was required to depict the deficiencies of the current library, reformatted the construction cost estimate and assisted in the development of the grant narrative. The end product is a complete application package which met and exceeded the requirements of the grant guidelines.

Staff recommends the extension of their contract for \$20,000 for a total amount of \$1,078,019.

FISCAL IMPACT: \$20,000 to be charged to the Library CIP 317-86200-8055-227000.

Agenda Item # 4
Prepared By:
Management Analyst
Approved By:
Manager, Recreation & Community Services
Submitted By:
Executive Manager



REDEVELOPMENT AGENCY STAFF

REPORT

MEETING DATE: April 23, 2003

TITLE **Request for Statements of Interest for the Police
Facility (17605 Monterey Road)**

RECOMMENDED ACTIONS:

Authorize staff to issue a Request for "Statements of Interest" (SOI) for the sale or lease of the current police facility, located at 17605 Monterey Road.

Agenda Item # 5

Prepared By:

BAHS Analyst

Approved By:

BAHS Director

Submitted By:

Executive Director

EXECUTIVE SUMMARY:

In February, 2003, the City Council/Agency Board directed staff to pursue negotiations for the acquisition and conversion of 16200 Vineyard Boulevard for use as a new police facility. During the negotiation process, several parties have expressed interest in acquiring or leasing the existing police station for other commercial uses.

In light of the demonstrated interest and the likelihood of relocating the Police Department, the Agency is seeking permission to solicit Statements of Interest (SOI) from parties desiring to acquire or lease the property for a use which will enhance the downtown (See attached). The intent of the SOI is to allow interested parties to present conceptual proposals without incurring the expense normally associated with the more formal and detailed Request for Proposal (RFP) process. In addition, the Agency will be better able to gauge interest in the facility and coordinate any future development with the move of the Police Department.

If this request is approved, staff will assemble a mailing list and will send out the attached draft SOI within the next two weeks. Proposers will be given one month to respond. Staff would return to the Agency Board in June with a short list of the best responses. At that time, we will seek authority to issue an RFP to those short-listed proposals. Please note that staff may have to make modifications to the SOI prior to its mailing.

FISCAL IMPACT:

None at this Time.

April 24, 2003

REQUEST FOR STATEMENT OF INTEREST

Morgan Hill Police Facility

The City of Morgan Hill Redevelopment Agency (Agency) is seeking Statements of Interest (SOI) for the purchase or lease of the facility currently occupied by the Morgan Hill Police Department. The facility is located at 17605 Monterey Road (the northwest corner of Monterey Road and Main Avenue). See the attached location map.

BACKGROUND

The Morgan Hill Police Department is seeking a larger facility. A potential new site has been identified. While the City Council has not yet approved the new site, the Agency would like to explore the potential to sell or lease the current site. Although the Agency anticipates that the police will move to a larger facility (est. 2004), there is no obligation on the part of the Agency to pursue responses to the SOI.

THE SITE

The property is approximately three quarters of an acre in size, and is located at the northwest corner of Monterey Road and West Main Avenue. It is zoned CC-R (Central Commercial-Residential), a mixed-use designation. The parking lot is striped for 48 spaces.

When the Agency purchased the property in 1988, it served as a bank. At that time, the Agency modified it for its current use as a police station. The building is concrete tilt-up construction and contains approximately 10,363 square feet of floor area on two levels. The building footprint of 5,363 square feet includes an attached 363 square foot portable building and a small unroofed area. It has been divided into numerous rooms and offices and most likely would need to be substantially modified for most commercial purposes. The building is not fully compliant with the Americans with Disabilities Act (ADA).

THE STATEMENT OF INTEREST

The Agency is seeking SOI's from parties who wish to purchase or lease the site and convert the building to a use which will enhance the downtown. The intent of the SOI is to allow interested parties to present conceptual proposals without incurring the expense normally associated with the more formal and detailed Request for Proposals (RFP) process.

Terms for acquiring the property are negotiable. Submissions will be evaluated on what is best for the downtown and the Agency, and the ability of the proposer to perform.

SUBMITTING YOUR STATEMENT OF INTEREST

The SOI should include information on your concept and a cost estimate. Please submit seven (7) copies of your SOI, including one unbound copy, with the following information:

- Cover letter on company letterhead;
- Your name, your company and/or project team members. Please identify which member is the contact person for this project;
- A written description of your concept;
- Preliminary concept plan for the project (elevations and site plans are not required at this time);
- Estimated, conceptual costs to complete the project, if available;
- Your demonstrated financial capacity to undertake the project;
- Your/your project team's qualifications and experience for managing/operating the proposed business, including remodeling the building;
- Identify the potential sources of financing for the project;
- Proposed role of the Redevelopment Agency in this project, if any; and,
- Proposed project time-line.

The submittal should be made to: Bill Newkirk, Business Assistance and Housing Services Analyst, City of Morgan Hill, 17555 Peak Avenue, Morgan Hill, CA 95037 no later than 5:00 p.m. on _____. Faxes received by the deadline will be accepted as long as the required number of hard copies of your proposal are submitted by _____.

THE SELECTION PROCESS

Proposers may be asked to participate in an interview process. Staff will recommend to the Agency a short list of firms who would be invited to submit a detailed proposal for consideration by the Agency Board.

The Agency reserves the right to reject any and all submittals. Proposers are responsible for all costs related to their submittals to this SOI.

For further information or questions, or to arrange for a site visit, please contact **Bill Newkirk** at **(408) 776-7373** or newkirkb@ch.morgan-hill.ca.gov.

Attachments: Vicinity Map
Assessor's Parcel Map
Site Plan
Floor Plans



CITY COUNCIL STAFF REPORT
MEETING DATE: APRIL 23, 2003

**AMENDMENT TO CONSULTANT AGREEMENT WITH
CONSOLIDATED CM**

RECOMMENDED ACTION(S):

Authorize the City Manager to execute a second amendment to the Consultant Agreement with Consolidated CM for the Community Center project, subject to City Attorney approval.

EXECUTIVE SUMMARY:

The contract for the Community & Cultural Center Project was awarded to DPR Construction, Inc. by the City Council at their September 26, 2001 meeting. At that same meeting, a consultant agreement with Consolidated CM for \$284,545 was authorized for construction management services on the project. An amendment to that agreement for an additional \$80,590 due to increased scope of services was subsequently authorized by the City Council at their meeting of September 4, 2002. At that time, construction was estimated to be completed by December 2, 2002. The slight delay in actual completion to December 6th required that Consolidated CM remain onsite a few extra days. This second amendment to that agreement for \$2,782 is a result of their extended duration. The total revised contract amount will be \$367,917.

FISCAL IMPACT:

No additional funding is required.

Agenda Item # 6

Prepared By:

Project Manager

Approved By:

Public Works Director

Submitted By:

City Manager



CITY COUNCIL STAFF REPORT

MEETING DATE: April 23, 2003

Agenda Item # 7

Prepared By:

**Assistant to the City
Manager**

Submitted By:

City Manager

RECYCLING GRANT

RECOMMENDED ACTION(S): Adopt Resolution Authorizing the City Manager to Request Funding

EXECUTIVE SUMMARY: Due to changes in the California Beverage Container Recycling and Litter Reduction Act, the California Department of Conservation now distributes a total of \$10,500,000 to cities and counties throughout the State. Using a per capita formula, the Department has calculated Morgan Hill's share of this funding to be \$9,806. The grant application and accounting procedures are both relatively simple and require only minimal effort.

Obtaining this funding will allow the City to further improve the City's waste diversion efforts as they relate to the schools. The grant funds for the past two years of funds have been dedicated to a recycling in the schools program that is now blossoming. Continued support for this effort will enable the City's contractor to organize a recycling science fair for Morgan Hill youth.

Staff recommends that the City Council adopt the attached resolution authorizing the City Manager to apply for the funding.

FISCAL IMPACT: Increased revenues and expenditures of \$9,806 in Fund 232 will be incorporated into the 2003/2004 budget.

RESOLUTION NO. 5665

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AUTHORIZING THE SUBMITTAL OF A FUNDING REQUEST FOR A BEVERAGE CONTAINER RECYCLING GRANT FOR FISCAL YEAR 2003-2004.

WHEREAS, the people of the State of California have enacted the California Beverage Container Recycling and Litter Reduction Act that provides funds to cities and counties for beverage container recycling and litter cleanup activities; and

WHEREAS, the California Department of Conservation's Division of Recycling has been delegated the responsibility for the administration of the program within the State, setting up necessary procedures for cities and counties or their designees under the program; and

WHEREAS, per Section 14581 (a)(4)(E) of the California Beverage Container Recycling and Litter Reduction Act, the eligible participant must submit the Funding Request Form by the due date and time in order to request funds from the Department of Conservation's Division of Recycling.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Morgan Hill authorizes the submittal of the Funding Request Form to the Department of Conservation's Division of Recycling. The City Manager is hereby authorized and empowered to execute in the name of the City of Morgan Hill specified in the Section 14581 (a)(4)(A) of the California Beverage Container Recycling and Litter Reduction Act and provide information regarding this program to the Division upon request.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Special Meeting held on the 23rd Day of April, 2003, by the following vote.

AYES: **COUNCIL MEMBERS:**
NOES: **COUNCIL MEMBERS:**
ABSTAIN: **COUNCIL MEMBERS:**
ABSENT: **COUNCIL MEMBERS:**

☞ CERTIFICATION ☞

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. 5665, adopted by the City Council at a Special Meeting held on April 23, 2003.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT
MEETING DATE: April 23, 2003

**APPLICATION FOR FEDERAL LAND AND WATER
CONSERVATION FUND GRANT-IN-AID PROGRAM**

RECOMMENDED ACTION(S):

1. Approve the filing of an application for the Land and Water Conservation Fund Grant-In-Aid Program.
2. Certify that 50% matching funds are available through CDBG funding.
3. Certify that the Galvan Park Improvement Project is compatible with the City's land use plans
4. Adopt resolution approving application
5. Appoint J. Edward Tewes, City Manager, as agent of the City to conduct all negotiations and execute and submit all documents, including but not limited to, applications, agreements, and statements, necessary to complete the project.

EXECUTIVE SUMMARY:

Staff has been successful in obtaining California Development Block Grant Funding (CDBG) for the past two successive years for phases I and II of the Galvan Park Improvement Project. This source of funding can only be used in specific State mandated socio-economic neighborhoods. The Galvan Park area is the only area in the city where these requirements are met. The Phase I work included concrete curbing and handball court concrete replacement. This work is now in the bidding process. Construction will follow in summer of 03. Phase II work includes a new restroom building and baseball backstop replacement. This work will be designed in late 03 and constructed in summer of 04. Phase III work involves the renovation of the multiuse play fields and replacement of the irrigation system and handball court wall. This work is not yet applied for.

The Federal Land and Water Conservation Fund Grant-In-Aid Program is a potential funding source in addition to CDBG funding to accomplish further improvements to Galvan Park. Staff has been advised by The Randall Funding Group, who the city has contracted with to make funding applications in behalf of the city, that if the Phase II and III work were combined this year, these two funding sources could be combined to accomplish the work.

The Phase II and III work as described above is estimated at \$300,000. CDBG funding has already been obtained for the Phase II work in the amount of \$153,600. Staff recommends combining the Phase III work with the Phase II work funding it with the Federal Land and Water Conservation Grant-in-Aid Program funding. If our application for this latter source of funding is not obtained, the Phase III work can be removed from the project and the Phase II work can proceed using CDBG funding only as currently approved. Council's approval is needed prior to April 30, 2003 to apply for the Federal Funding.

FISCAL IMPACT: The Galvan Park Improvement Project will be funded using combined CDBG and Federal Land and Water Conservation Grant-In-Aid funding (if obtained), or the Phase II work will proceed using currently approved CDBG funding only.

Agenda Item # 8

Prepared By:

Dep Dir PW/Ops

Approved By:

Public Works Director

Submitted By:

City Manager

RESOLUTION NO. 5666

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING THE APPLICATION FOR LAND AND WATER CONSERVATION FUNDS GALVAN PARK IMPROVEMENTS PROJECT

WHEREAS, the Congress under Public Law 88-578 has authorized the establishment of a Federal land and Water conservation Fund Grant-In-Aid Program, providing matching funds to the State of California and its political subdivisions for acquiring lands and developing facilities for public outdoor recreation purposes; and

WHEREAS, the State Department of Parks and Recreation is responsible for administration of the program in the state, setting up necessary rules and procedures governing application by local agencies under the program; and

WHEREAS, said adopted procedures established by the State Department of Parks and Recreation require the applicant to certify by resolution the approval of applications and the availability of local matching funds prior to submission of said applications to the state; and

WHEREAS, the proposed Galvan park Improvement Project is consistent with the Statewide Comprehensive Recreation Resources Plan: California Outdoor Recreation Plan - 1994; and

WHEREAS, the project must be compatible with the land use plans of those jurisdictions immediately surrounding project; now

THEREFORE, BE IT RESOLVED by the City Council of the City of Morgan Hill that the Council:

1. Approves the filing of an application for Land and Water Conservation Fund assistance; and
2. Certifies that said agency has matching funds from the following source(s): CDBG and can finance 100 percent of the project, half of which will be reimbursed; and
3. Certifies that the project is compatible with the land use plans of those jurisdictions immediately surrounding the project; and
4. Appoints J. Edward Tewes, City Manager, as agent of the City to conduct all negotiations and execute and submit all documents, including, but not limited to, applications, agreements, amendments, billing statements, and so on which may be necessary for the completion of the aforementioned project.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Special Meeting held on the 23rd Day of April, 2003, by the following vote.

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

🏛 CERTIFICATION 🏛

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. 5666, adopted by the City Council at a Special Meeting held on April 23, 2003.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: APRIL 23, 2003

**TITLE: AMENDMENT TO CONTRACT WITH SPORTS
MANAGEMENT GROUP (SMG)**

Agenda Item # 9
Prepared By:
Management Analyst
Approved By:
Manager, Recreation & Community Services
Submitted By:
City Manager

RECOMMENDED ACTION(S): Authorize amendment of the contract agreement with the Sports Management Group for operational planning, policies and procedures for Community and Cultural Center and Community Playhouse as well as operator and master plan services for the Indoor Community Recreation Center not to exceed \$21,250.

EXECUTIVE SUMMARY: The Sports Management Group has been under contract to provide development of the operational policies, procedures and guidelines for the Community and Cultural Center and Community Playhouse as well as program and operator services for the Indoor Community Recreation Center.

The Sports Management Group assisted in the development of a Temporary Employees Handbook for part-time employees of the Community and Cultural Center. In addition to these services, the Sports Management Group planned and facilitated the Colorado Recreation Facilities Tour for Council Members and City staff. These services were provided between October 2002 and January 2003.

Staff recommends extension of their contract in the amount of \$21,250 for a total of \$120,000. The Sports Management Group contract has been amended twice: 1) January 23, 2002 in the amount of \$32,500 and 2) November 6, 2002 in the amount of \$10,000.

FISCAL IMPACT: \$21,250 to be divided between the following accounts: \$10, 198.67 to be charged to Indoor Community Recreation CIP 317-86200-8055-229001 and \$ 11,051.33 to be charged to Community and Cultural Center operating budget 010-42231-2115 – Contract Services.



CITY COUNCIL STAFF REPORT

MEETING DATE: *April 23, 2003*

LIBRARY COMMISSION RECOMMENDATION TO APPROPRIATE FUNDS TO OPEN LIBRARY ON SUNDAYS

RECOMMENDED ACTION(S):

Receive Recommendation from Library Commission, and Consider During Fiscal Year 2003-2004 Budget Deliberations.

EXECUTIVE SUMMARY:

On October 7, 2002 the Morgan Hill Library Commission approved a Recommendation to City Council to appropriate \$78,900 during Fiscal Year 2003/2004 for operation of the Morgan Hill Public Library for four hours each Sunday throughout the year. The appropriation would cover the City's portion of the operating expenses. The Recommendation reads as follows:

"The Morgan Hill Library Commission recommends to the City Council that \$78,900 be appropriated during Fiscal Year 2003/2004 to fund the City's portion of operating costs to open the Library for four hours on Sundays. Hours of operation would be 1:00 p.m. to 5:00 p.m. Sunday hours to begin in July 2003."

Anticipated total cost to operate the Library for four hours on Sundays for one year is \$98,872. This figure is based on a cost estimate prepared by the Santa Clara County Library System. The City of Morgan Hill and the Santa Clara County Library System would contribute funds to Library operation for four additional hours per week. The City of Morgan Hill is responsible for providing 79.8% of the operating costs, and the Santa Clara County Library System is responsible for providing 20.2% in matching funds. This ratio is based on a County Library System formula in which the City of Morgan Hill funds library services for its residents and the County funds library services for County residents in unincorporated areas and other non-Morgan Hill residents. Attachment "A" identifies estimated costs to operate the library on fifty (50) Sundays throughout the year. These figures are based on current Fiscal Year 2002/2003 costs. The appropriation of \$78,900 reflects an anticipated increase in staffing costs for Fiscal Year 2003/2004 as provided by the Santa Clara County Library System.

The Morgan Hill Public Library conducted a survey of Library patrons to measure support for additional library hours on Sunday (see Attachment "A"). The results of the survey are as follows:

58% support Sunday hours

28 % would not support closing the Library on other days and times to accommodate hours on Sunday

The County Library System supports the addition of Sunday Hours. Library Staff believe the additional hours would benefit for the community, particularly lower-income residents who rely on library computer services and cannot access the library during the week.

The Cupertino, Los Altos, Milpitas Campbell and Saratoga Libraries are open four to six hours on Sunday. Increases in circulation and patron use have occurred at all five libraries with Sunday hours. At the Saratoga and Milpitas Libraries, Sunday is the busiest day of the week for both patron visits and circulation. The Morgan Hill Library anticipates an increase in circulation and patron use with Sunday hours, and will monitor and report circulation and use quarterly during FY 03/04 to measure effects of Sunday hours.

FISCAL IMPACT:

The City's portion of the projected operating costs for Library Sunday Hours during FY 03/04 is \$78,900.

Agenda Item # 10

Prepared By:

Management Analyst

Approved By:

Recreation Manager

Submitted By:

City Manager



CITY COUNCIL STAFF REPORT

MEETING DATE: April 23, 2003

TITLE: AMENDMENT TO AGREEMENT WITH THE LAW FIRM OF BERG & PARKER, LLP

RECOMMENDED ACTIONS:

Authorize the City Manager to execute an Amended Agreement with the law firm of Berg & Parker, LLP.

EXECUTIVE SUMMARY:

On July 9, 2002, the City entered into a contract in the amount of \$20,000 with the law firm of Berg & Parker, LLP, to handle transactional matters relating to real property negotiations and acquisitions in connection with Capital Improvement Projects. In that regard, it was necessary for Berg & Parker to file three Complaints in Eminent Domain in the Santa Clara County Superior Court. The current contract is insufficient to cover the fees and expenses necessary to litigate these actions. Therefore, staff is recommending that Council approve the attached Amendment to Agreement increasing the contract amount to \$40,000. This amount should be sufficient to cover the anticipated fees and costs associated with the eminent domain actions.

FISCAL IMPACT:

The cost of this Amendment to Agreement can be accommodated in the CIP budget. No additional appropriation is necessary at this time.

Agenda Item # 11

Prepared By:

(Title)

Approved By:

(Department Director)

Submitted By:

City Manager



CITY COUNCIL STAFF REPORT

MEETING DATE: *April 23, 2003*

ZONING AMENDMENT APPLICATION, ZA-02-18: COCHRANE - IN-N-OUT BURGER/APPLEBEE'S

RECOMMENDED ACTION(S):

1. Open/close Public Hearing
2. Approve Mitigated Negative Declaration
3. Waive the First and Second Reading of Ordinance
 - a. Ordinance enacting Planning Commission's recommendation to approve both restaurants; **OR**
 - b. Ordinance enacting Staff's recommendation to approve the 5,000 to 6,500-sf sit down restaurant and deny the drive-thru fast food use
4. Introduce Ordinance

EXECUTIVE SUMMARY: The applicant is requesting approval to amend the Tharaldson Planned Unit Development (PUD), located at the northwest quadrant of Cochrane Road and Highway 101. The amendment request includes the following:

1. Construction of a 3,253-sf drive-thru fast food restaurant with outdoor seating, in lieu of a required 8,000-sf sit down restaurant.
2. Replacement of a 6,300-sf sit-down restaurant with a 5,000 to 6,500-sf sit down restaurant.
3. Amendment to the Tharaldson PUD (as contained in Ordinance No. 1475), including but not limited to the permitted uses, placement of the buildings, architectural theme, and landscaping.
4. Exceptions to the city-wide PUD standards (as contained in Chapter 18.30 of the Municipal Code), including the placement of the two restaurants (the PUD requires the buildings to be set forward toward Cochrane Road), encroachment into a required 30-ft landscape buffer, insufficient landscaping, and deviations from the established architectural theme and required design standards.

For a detailed project analysis and discussion regarding Planning Commission and Staff recommendations, please refer to the attached April 2 Council staff report. This item was originally agendized for the March 19 Council meeting, continued to April 2 at the applicant's request due to a family emergency, and continued once more at the applicant's request to April 23.

It should be noted that since the time of the April 2 Council meeting, the applicant has requested Staff to include the review of a freeway sign as part of the PUD amendment application. The applicant is requesting to modify the existing freeway sign as follows: 1) increase the panel size of the two restaurants and Chevron gas station, 2) relocate the freeway sign further north onto the Media Arts site, and 3) add a panel for Media Arts. The freeway sign cannot be reviewed as part of the existing PUD amendment application. The proposed modifications would require amendments to both the Madrone Business Park and Tharaldson PUD uniform sign programs, which is typically processed under a separate sign application. In addition, the freeway sign is proposed off-site on the Media Arts property, which is outside the scope of the current PUD amendment application.

FISCAL IMPACT: None. Filing fees were paid to the City to cover the cost of processing this application.

Agenda Item #12

Prepared By:

Associate Planner

Approved By:

CDD Director

Submitted By:

City Manager

ORDINANCE NO. (Planning Commission Recommendation), NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO THE THARALDSON PUD AND PRECISE DEVELOPMENT PLAN TO REPLACE TWO SIT DOWN RESTAURANTS (6,300 SF AND 8,000 SF IN SIZE) WITH A 3,253-SF DRIVE-THRU FAST FOOD RESTAURANT AND A SIT DOWN RESTAURANT 5,000 TO 6,500 SF IN SIZE. (APNs 726-33-023 & -024)(ZA-02-18: COCHRANE – IN-N-OUT BURGER/ APPLEBEE’S)

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAIN AS FOLLOWS:

- SECTION 1.** General Plan Policy 14a promotes enhancement of the visual integrity of gateways to the City. The proposed project, which is located in a gateway location, is consistent with General Plan Policy 14a. Both restaurants will be subject to review and approval by the City’s Architectural Review Board, and views of the drive-thru lane for the fast food restaurant will be mitigated through the installation of landscaping within the Caltrans right-of-way. The proposed zoning amendment is consistent with the Zoning Ordinance and the General Plan.
- SECTION 2.** The zone change is required in order to serve the public convenience, necessity and general welfare as provided in Section 18.62.050 of the Municipal Code.
- SECTION 3.** An environmental initial study has been prepared for this application and has been found complete, correct and in substantial compliance with the requirements of California Environmental Quality Act. A mitigated Negative Declaration will be filed.
- SECTION 4.** The City Council hereby approves a precise development plan as contained in that certain series of documents dated February 24, 2003, on file in the Community Development Department, entitled "In-N-Out Burger Restaurant" prepared by In-N-Out Burger. These documents, as amended by site and architectural review, show the location and sizes of all lots in this development and the location and setbacks of all proposed buildings, vehicle and pedestrian circulation ways, recreational amenities, parking areas, landscape areas and any other purposeful uses on the project.
- SECTION 5.** The City Council hereby approves the exceptions to the city-wide PUD development standards listed below for both the sit down and fast food restaurant sites. The Council hereby finds that: A)Approval of the exception is necessary for the preservation and enjoyment of substantial property rights of

the applicant; B) The exception will only be approved to the extent necessary for the preservation and enjoyment of the substantial property rights of the applicant; C) The effect of the reduction or elimination of the development standard will be substantially mitigated by the provision of other design features or enhancements to the project; and D) Approval of the exception will not be outweighed by the adverse effects to the public health safety and welfare of persons working or residing in the area.

- A. (§ 18.30.090.A.18) Location of restaurants. The Council hereby approves the location of the sit down and fast food restaurants, as shown on the site plan date stamped Feb. 24, 2003.
- B. (§ 18.30.090.C.4) 30-ft landscape buffer. The Council hereby approves a 27-ft encroachment into the required 30-ft landscape buffer, as shown on the site plan date stamped Feb. 24, 2003. The encroachment into the landscape buffer is necessary to provide the drive thru lane as proposed, and the landscape area will be supplemented by the adjacent Caltrans right-of-way landscaping.
- C. (§ 18.30.090.C.5) 50 percent building perimeter landscaping. The Council recommends that the applicant provide landscaping along the perimeter of the fast food restaurant building where possible, but hereby approves the building perimeter landscaping as shown on the site plan date stamped Feb. 24, 2003 and as amended by Condition I under Section 8 of this ordinance.
- D. (§ 18.30.090.C.12) 10-ft wide landscape requirement. The Council recommends that the applicant provide minimum 10-ft wide landscape areas where possible, but hereby approves landscape areas less than 10 ft in width where necessary to improve on-site parking and circulation.
- E. (§ 18.30.090.A.4) No visual flat rooflines allowed. The Council hereby approves parapet walls within the Tharaldson PUD where it would result in a superior building design.
- F. (§ 18.30.090.A.1 and § 18.30.090.A.11) Architectural consistency. The Council recommends that the applicants comply with the city-wide PUD architectural standards to the greatest extent possible, however, hereby approves exceptions to the PUD standards where it will result in a superior design. Also, the Council hereby grants the Architectural Review Board the authority to redefine the architectural theme of the Tharaldson PUD.

SECTION 6. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 7. Effective Date; Publication. This Ordinance shall take effect from and after thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

SECTION 8. The approved project shall be subject to the following conditions:

- A. The applicant shall comply with the mitigation measures of the mitigated Negative Declaration.
- B. With the exception of any deviations approved by the City Council, the project shall be subject to compliance with the Tharaldson PUD guidelines and city-wide PUD standards, as contained in Ordinance No. 1475 and Chapter 18.30 of the Morgan Hill Municipal Code (MHMC), respectively.
- C. The signs identified on the project plans, including but not limited to menu boards, directional signs, advertising signs and building identification signs, are not approved as part of the zoning amendment application. Signs require separate review and approval by the Planning Division.
- D. Defense and indemnity. Applicant agrees to defend and indemnify and hold City, its officers, agents, employees, officials and representatives free and harmless from and against any and all claims, losses, damages, injuries, costs and liabilities arising from any suit for damages or for equitable or injunctive relief which is filed against City by reason of its approval of applicant's project. In addition, developer shall pay all pre-tender litigation costs incurred on behalf of the City including City's attorney's fees and all other litigation costs and expenses, including expert witnesses, required to defend against any lawsuit brought as a result of City's approval or approvals, but shall not be required to pay any litigation from the City. However, developer shall continue to pay reasonable internal City administrative costs, including but not limited to staff time and expense spent on the litigation, after tender is accepted.
- E. The sit down restaurant shall be under construction prior to the issuance of a building permit for the fast food restaurant.
- F. If an interim access driveway is required on Cochrane Road, the interim driveway shall be located as close as possible to the ultimate driveway location (centered on the property line between the two restaurant sites), and located just west of the Caltrans right of way. The necessity and timing for the installation of the interim access driveway shall be determined by the Director of Public Works.
- G. Prior to the issuance of building permit for the sit down restaurant, the applicant shall secure approval from Caltrans for the construction of the new right turn in/right turn out driveway on Cochrane Road, centered on the property line between the two restaurant sites, and for the landscaping and on-going maintenance of the Caltrans right-of-way landscaping at the northwest corner of Cochrane Road and Highway 101.

- H. Upon closure of the existing right turn in only driveway on Cochrane Road, the applicant shall berm and landscape the area to the satisfaction of the Planning Division.
- I. The applicant shall provide additional landscaping at the southwest corner of the fast food restaurant building, in between the columns, similar to the landscaping proposed at the southeast area of the building.

The foregoing ordinance was introduced at the special meeting of the City Council of the City of Morgan Hill held on the 23rd Day of April 2003, and was finally adopted at a regular meeting of said Council on the 7th Day of May 2003, and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: **COUNCIL MEMBERS:**
NOES: **COUNCIL MEMBERS:**
ABSENT: **COUNCIL MEMBERS:**
ABSTAIN: **COUNCIL MEMBERS:**

ATTEST:

APPROVED:

Irma Torrez, City Clerk

Dennis Kennedy, Mayor

∞ CERTIFICATE OF THE CITY CLERK ∞

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. _____, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 7th Day of May, 2003.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk

ORDINANCE NO. (Staff Recommendation), NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO THE THARALDSON PUD AND PRECISE DEVELOPMENT PLAN TO REPLACE A 6,300-SF SIT DOWN RESTAURANT WITH A SIT-DOWN RESTAURANT 5,000 TO 6,500-SF IN SIZE AND DENIAL OF AN AMENDMENT TO REPLACE AN 8,000-SF SIT DOWN RESTAURANT WITH A DRIVE-THRU FAST FOOD USE. (APNs 726-33-023 & -024)(ZA-02-18: COCHRANE – IN-N-OUT BURGER/APPLEBEE’S)

WITH RESPECT TO THE REQUEST TO AMEND THE THARALDSON PUD AND PRECISE DEVELOPMENT PLAN TO REPLACE AN 8,000-SF SIT DOWN RESTAURANT WITH A DRIVE-THRU FAST FOOD USE, THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAIN AS FOLLOWS:

- SECTION 1.** The proposed drive-thru fast food use is inconsistent with General Plan Policy 14a. A fast food use designed and placed as proposed, including a drive-thru component with queued vehicles, would not enhance the visual integrity of the gateway location.
- SECTION 2.** The zone change to allow for the replacement of an 8,000-sf sit-down restaurant with a 3,253-sf drive-thru fast food restaurant is inconsistent with the approved precise development plan for the Tharaldson PUD. The approved PUD calls for the construction of two-sit down restaurants (6,300 sf and 8,000 sf in size).
- SECTION 3.** The proposed precise development plan for the fast food use is inconsistent with the Tharaldson PUD guidelines and city-wide PUD commercial development standards. On-site landscaping does not comply with the minimum width or area requirements, the placement of the building is inconsistent with the approved plan, the drive-thru lane encroaches into a required 30-ft landscape buffer, and the building is not designed to PUD standards.
- SECTION 4.** The City Council hereby denies the precise development plan for the proposed 3,253-sf drive-thru fast food restaurant as contained in that certain series of documents dated February 24, 2003, on file in the Community Development Department, entitled "Site Plan" prepared by In-N-Out Burger.

WITH RESPECT TO THE REQUEST TO AMEND THE THARALDSON PUD AND PRECISE DEVELOPMENT PLAN TO REPLACE A 6,300-SF SIT DOWN RESTAURANT WITH A SIT DOWN RESTAURANT 5,000 TO 6,500-SF IN SIZE, THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAIN AS FOLLOWS:

- SECTION 5.** The proposed sit-down restaurant is consistent with the Zoning Ordinance and the General Plan.
- SECTION 6.** The zone change to allow for the replacement of a 6,300-sf sit-down restaurant with a sit-down restaurant 5,000 to 6,500 sf in size is required in order to serve the public convenience, necessity and general welfare as provided in Section 18.62.050 of the Municipal Code.
- SECTION 7.** An environmental initial study has been prepared for this application and has been found complete, correct and in substantial compliance with the requirements of California Environmental Quality Act. A mitigated Negative Declaration will be filed.
- SECTION 8.** The City Council hereby approves a precise development plan for a sit-down restaurant 5,000 to 6,500 sf in size, as contained in that certain series of documents dated February 24, 2003, on file in the Community Development Department, entitled "Site Plan" prepared by In-N-Out Burger. These documents, as amended by site and architectural review, show the location and sizes of all lots in this development and the location and setbacks of all proposed buildings, vehicle and pedestrian circulation ways, recreational amenities, parking areas, landscape areas and any other purposeful uses on the project. This approval does not include the fast food restaurant (In-N-Out Burger) identified on the site plan date stamped Feb. 24, 2003.
- SECTION 9.** The City Council hereby approves the exceptions to the city-wide PUD development standards listed below for the sit down restaurant site only. The Council hereby finds that: A) Approval of the exception is necessary for the preservation and enjoyment of substantial property rights of the applicant; B) The exception will only be approved to the extent necessary for the preservation and enjoyment of the substantial property rights of the applicant; C) The effect of the reduction or elimination of the development standard will be substantially mitigated by the provision of other design features or enhancements to the project; and D) Approval of the exception will not be outweighed by the adverse effects to the public health safety and welfare of persons working or residing in the area.

- A. (§ 18.30.090.A.18) Location of sit down restaurant. The Council hereby approves the location of the sit down restaurant, as shown on the site plan date stamped Feb. 24, 2003.
- B. (§ 18.30.090.C.12) 10-ft wide landscape requirement. The Council recommends that the applicant provide minimum 10-ft wide landscape areas where possible, but hereby approves landscape areas less than 10 ft in width where necessary to improve on-site parking and circulation.
- C. (§ 18.30.090.A.4) No visual flat rooflines allowed. The Council hereby approves parapet walls within the Tharaldson PUD where it would result in a superior building design.
- D. (§ 18.30.090.A.1 and § 18.30.090.A.11) Architectural consistency. The Council recommends that the applicants comply with the city-wide PUD architectural standards to the greatest extent possible, however, hereby approves exceptions to the PUD standards where it will result in a superior design. Also, the Council hereby grants the Architectural Review Board the authority to redefine the architectural theme of the Tharaldson PUD.

SECTION 10. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 11. Effective Date; Publication. This Ordinance shall take effect from and after thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

SECTION 12. The approved sit-down restaurant shall be subject to the following conditions:

- A. The applicant shall comply with the mitigation measures of the mitigated Negative Declaration.
- B. With the exception of any deviations approved by the City Council, the project shall be subject to compliance with the Tharaldson PUD guidelines and city-wide PUD standards, as contained in Ordinance No. 1475 and Chapter 18.30 of the Morgan Hill Municipal Code, respectively.
- C. The signs identified on the project plans, including but not limited to menu boards, directional signs, advertising signs and building identification signs, are not approved as part of the zoning amendment application. Signs require separate review and approval by the Planning Division.

- D. Defense and indemnity. Applicant agrees to defend and indemnify and hold City, its officers, agents, employees, officials and representatives free and harmless from and against any and all claims, losses, damages, injuries, costs and liabilities arising from any suit for damages or for equitable or injunctive relief which is filed against City by reason of its approval of applicant's project. In addition, developer shall pay all pre-tender litigation costs incurred on behalf of the City including City's attorney's fees and all other litigation costs and expenses, including expert witnesses, required to defend against any lawsuit brought as a result of City's approval or approvals, but shall not be required to pay any litigation from the City. However, developer shall continue to pay reasonable internal City administrative costs, including but not limited to staff time and expense spent on the litigation, after tender is accepted.
- E. If an interim access driveway is required on Cochrane Road, the interim driveway shall be located as close as possible to the ultimate driveway location (centered on the property line between the two restaurant sites), and located just west of the Caltrans right of way. The necessity and timing for the installation of the interim access driveway shall be determined by the Director of Public Works.

The foregoing ordinance was introduced at the special meeting of the City Council of the City of Morgan Hill held on the 23rd Day of April 2003, and was finally adopted at a regular meeting of said Council on the 7th Day of May 2003, and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: **COUNCIL MEMBERS:**
NOES: **COUNCIL MEMBERS:**
ABSENT: **COUNCIL MEMBERS:**
ABSTAIN: **COUNCIL MEMBERS:**

ATTEST:

APPROVED:

Irma Torrez, City Clerk

Dennis Kennedy, Mayor

∞ CERTIFICATE OF THE CITY CLERK ∞

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. , New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 7th Day of May, 2003.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



**REDEVELOPMENT AGENCY/CITY
COUNCIL STAFF REPORT
MEETING DATE: APRIL 23, 2003**

Agenda Item # 13

Approved By:

BAHS Director

Submitted By:

Executive Director

DRAFT ECONOMIC DEVELOPMENT STRATEGY

RECOMMENDED ACTION(S): 1) Discuss the draft Economic Development Strategy (EDS) and 2) direct staff to circulate the EDS for comments and schedule for discussion at the May 7, 2003 City Council/Agency meeting.

EXECUTIVE SUMMARY: Beginning in August 2002, the City Council/Redevelopment Agency (Council) began holding the first of several meetings/workshops to discuss the content of an Economic Development Strategy (EDS). In November 2002, the Council formed an Economic Development Committee (Committee) and requested the Committee to develop a revised EDS draft for Council consideration.

Since November, the Committee has met several times to discuss the EDS. Their goal has been to develop a Strategy which: a) reflects the Council direction, b) is concise, and c) is simple to interpret and implement. At the City Council's April 16, 2003 meeting, the Council requested that the draft EDS be presented at this meeting and then agendized for the May 7th meeting for more in-depth discussion.

Attached is the latest draft of the EDS for your consideration. You'll note that the revised EDS is significantly shorter than the November 20th version and has been reformatted. The reduction in length of the EDS reflects the consolidation of some goals and policies as well as the elimination of some policies and actions.

In your review of the EDS, you'll note that the last page has a section entitled "Policies to Consider." Specifically, the policy is related to minimizing impacts large retail development may have on the financial viability of similar business in town with the particular focus on downtown. The Committee did not include this policy in the EDS at this time, but would like the Council to discuss the merits of the policy and whether it or, others like it, should be included in the EDS.

With your approval, staff we schedule this time for consideration at your May 7, 2003 meeting.

FISCAL IMPACT: None at this time

DRAFT
**ECONOMIC DEVELOPMENT STRATEGY GOALS,
POLICIES & ACTIONS**

GOALS

GOAL 1: ATTRACT, RETAIN, and EXPAND THOSE BUSINESSES THAT:

- Create and/or retain quality jobs for Morgan Hill residents.
- Enhance the local economic base by retaining or generating new sales and/or use tax revenue within the community.
- Provide a shopping convenience presently lacking in the community.
- Maintain a diversified local economic base.
- Enhance and/or maintain the community's quality of life.

GOAL 2. SUBSTAIN A FINANCIALLY HEALTHY AND VIBRANT DOWNTOWN.

GOAL 3. ENSURE THE ACCOUNTABILITY OF ALL ECONOMIC DEVELOPMENT PARTNERSHIPS

GOAL 1: ATTRACT, RETAIN, and EXPAND THOSE BUSINESSES THAT:

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- **Enhance the local economic base by retaining or generating new sales and/or use tax revenue within the community.**
- **Provide a shopping convenience presently lacking in the community.**
- **Maintain a diversified local economic base.**
- **Enhance and/or maintain the community's quality of life.**

ATTRACTION POLICIES AND ACTIONS

Policies

- Policy 1A:** Establish and market an image that effectively attracts businesses to locate and invest in Morgan Hill. *(R/E)*
- Policy 1B:** Leverage Agency/City funds to assist businesses by:
- Maximizing the return to the City
 - Ensuring that Agency monies attract other private investment dollars. *(R/E, D/T)*
- Policy 1C:** Review and evaluate the City's business assistance guidelines annually, at a minimum, and make modifications as appropriate. *(R/E, D/T, ACCT)*
- Policy 1D:** Continue implementing ongoing efforts to evaluate and revise entitlement process to reduce processing time, make it easier to use the process and enhance applicant satisfaction. *(R/E, D/T)*
- Policy 1E:** Encourage the assembly of parcels needed for commercial/industrial development at the three highway interchanges in Morgan Hill. *(R/E)*
- Policy 1F:** Participate proactively in regional efforts to evaluate future growth industries and/or emerging technologies and use the information to better position the City to take advantage of those future opportunities. *(R/E)*

Note: Those policies may also apply to other program policies as well as other goals are delineated by a "(R/E, D/T, and ACCT)" symbol at the end of the policy. R/E stands for Retention/Expansion Policies and Action. D/T represents the Downtown Goal and ACCT is for the Accountability goal. It is assumed that an action that pertains to a policy would also apply to other program policies and goals and, thus, does not need to be identified as such.

Actions

- Action 1a:** Improve the efficiency and effectiveness of business ombudsman services to the community.
- Action 2a:** Prepare a target industry/business analysis (Study) for both retail and industrial development. The Study would include both a cluster and an economic base analysis to identify existing industries/businesses in town and current development trends. The results of the Study would be coordinated with and used to further the City's marketing efforts.
- Action 3a:** Establish a business attraction program which contains the following elements:
- Establishes a "private-public" partnership approach for following up on leads from major corporations.
 - Targets industries/businesses based on the results of the target business/cluster analysis.
 - Coordinates marketing efforts with the private sector.
- Action 4a:** Develop a marketing strategy which includes the following elements:
- An advertising campaign
 - Target mailings
 - Preparation of any needed marketing collateral
 - Public relations campaign
- Action 5a:** Continue working with property owners and developers to facilitate the assembly of key commercial/industrial properties located at the three highway interchanges.
- Action 6a:** As a pilot program, prepare PUD guidelines for the Walnut Grove area to make it more ready for development.
- Action 7a:** Maintain the City Council's Economic Development Committee (with rotating membership) to discuss specific business proposals that are evaluated against established criteria/parameters for economic development loan/grant programs and to update this Strategy annually.
- Action 8a:** Continue implementing the auto dealership strategy and provide periodic status updates to the City Council.
- Action 9a:** The City Council's Economic Development Committee (EDC) will review the business assistance guidelines annually, at a minimum, and make recommendations to the City regarding revisions.

RETENTION/EXPANSION POLICIES AND ACTIONS

Policies

Policy 1Ar: Encourage the use/reuse of vacant buildings.

Policy 1Br: Focus on the retention of those companies which:

- Have been successful in the community for a minimum of seven years with priority given to those which have national/international name recognition
- Provide a stimulus or spin off effect for other similar businesses to locate in the area

Policy 1Cr: Retain and support expansion of commercial businesses which:

- Reflect the image and/or represent the history of Morgan Hill.
- Create jobs, generate tax revenue to the City, and/or provide a service currently lacking in the community

Policy 1Dr: Encourage tourism.

Actions

Action 1r: Establish a business retention program which contains the following elements:

- Business visitation and/or surveying programs including the analysis of results and follow-up from a response team.
- An “early warning system” to identify at-risk firms prior to their shut down or relocation.
- A database of businesses in town by type and size needed for the retention/expansion program.
- A program to assist small high tech or “niche” industries in town with their business-to-business activities.

Action 2r: Develop a reuse strategy for older, vacant industrial buildings.

GOAL 2: MAINTAIN A FINANCIALLY “HEALTHY” AND VIBRANT DOWNTOWN.

Policies

Policy 2A: Encourage transit-oriented development with a mix of market and affordable housing in or adjacent to downtown.

Policy 2B: Encourage the revitalization of downtown by dedicating a specific amount of Agency’s funds toward downtown development.

Actions

Action 1d: Provide start-up funding for and work with the Morgan Hill Downtown Association (MHDA) to implement a Main Street program in downtown.

Action 2d: Issue an RFP to solicit proposals for potential retail, commercial, residential, and/or mixed use developments in an expanded downtown area. Designate a specific amount of funding available to assist selected projects:

- \$1M in the Agency’s 20% Housing Set-aside monies
- \$1M in Agency Economic Development funds
- \$1M in Agency funds allocated to infrastructure monies.

The Agency would use the Updated Downtown Plan to evaluate proposals and may choose to fund one or more projects.

Action 3d: Develop a reuse strategy for the Albertson’s shopping center.

Action 4d: Evaluate the level and priority of public improvements needed for the downtown to stimulate development along Monterey Road.

Action 5d: Encourage and facilitate the earliest completion of PL566 to reduce the potential for flooding downtown.

GOAL 3: ENSURE THE ACCOUNTABILITY OF ALL ECONOMIC DEVELOPMENT PARTNERSHIPS

Policies

Policy 3A: All economic development programs and activities provided by Economic Development Partnerships (Partnerships) or City/Agency staff will be required to establish and regularly report on goals/objectives, performance measures, and action plans which will be used for regular evaluations.

Policy 3B: The City will encourage all Partnerships to become financially self-sufficient over an established period of time.

Actions

Action 1p: The City's Economic Development Committee will:

- Semiannually assess the effectiveness of all Partnerships and City activities against the EDS and established goals and performance measures.
- Assist in establishing the goals, objectives and performance measures for the various Partnerships and City economic development programs.
- Suggest improvements and alternate approaches for Partnerships and City programs in meeting EDS goals and policies, as appropriate.

Action 2p The City Council will receive semiannual updates of financial resources available for economic development activities and the status of funded activities including, but not limited to, private investment leveraged, revenues generated, jobs created/retained, and status of implementation.

POLICIES TO CONSIDER

NOTE: The EDC requested that this policy not be included in the draft EDS at this time. The EDC would like to the City Council to discuss the merits of this policy and whether it should be included in the EDS.

Policy A: Minimize the impacts that new large retail development may have on the financial viability of similar businesses in the City with particular focus on downtown. No City/Agency should be expended to minimize the impacts.

Action 1: Research and evaluate programs and policies implemented by other cities to achieve this policy.



CITY COUNCIL STAFF REPORT

MEETING DATE: APRIL 23, 2003

Agenda Item # 14

**Prepared & Submitted
By:**

City Manager

REVIEW RECOMMENDATIONS OF THE VTA'S AD HOC FINANCIAL STABILITY COMMITTEE

RECOMMENDED ACTION(S): Consider report by Mayor Kennedy.

EXECUTIVE SUMMARY: In the light of decreasing sales tax revenue, the Valley Transportation Authority (VTA) has appointed an Ad Hoc Financial Stability Committee to recommend service and revenue strategies.

Mayor Kennedy is the representative of the Santa Clara Cities Association to the Committee, and has asked for an opportunity to brief the Council on the Committee's recommendations.

The Committee will be meeting on the morning of Wednesday, April 23.

FISCAL IMPACT: None.



CITY COUNCIL STAFF REPORT

MEETING DATE: April 23, 2003

Agenda Item # 15

Prepared By:

**Dep Dir
PW/Operations**

Approved By:

Public Works Director

Submitted By:

City Manager

COMMUNITY INDOOR RECREATION CENTER REVIEW OF PROGRAMMING SPACES, BUDGET AND PROJECT SCHEDULE

RECOMMENDED ACTION(S): For Council discussion of issues presented and appointment of Council Subcommittee to work with staff and report back to Council.

EXECUTIVE SUMMARY:

A re-appropriation of RDA funding resulted in a total funding allocation to this project of \$26.2 million in January of 2002. Based on this funding allocation, Council approved award for the Architectural Design Services Contract to Noll & Tam Architects in November of 2002. The contract negotiation process is complete.

Prior to moving forward with project schematic design, staff needs direction on 3 major issues:

- 1) Since the approval of the programming model in January of 2002, Council members Chang, Sellers, and Tate and staff members Julie Spier, Larry Ford, and Mori Struve visited Indoor Recreation Centers in Colorado. Suggestions to revise the January 2002 programming model were observed and discussed. The January 2002 approved programming model, suggested Colorado revisions model, and a third staff recommendation model are shown on Exhibit A.
- 2) Since the development of the programming model in Jan. of 2002, Council adopted a policy on Leadership in Energy and Environmental Design (LEEDS) stating that new public facilities shall be designed to at least reach the gold level. Design and construction costs to achieve this standard are not included within the current project budget. A project budget based on the January 2002 approved programming model is shown on Exhibit B. The cost impacts of the LEEDS process are shown on Exhibit D.
- 3) A proposed project schedule has been created by staff (Exhibit C) which includes appropriate time for city review at critical stages of the design process through construction drawings and contract negotiation time after bid award. This schedule minimizes risks to the project of unforeseen delays and costs.

Staff recommends that a subcommittee of the Council be appointed to work with staff to address the challenges of: 1) Identifying a programming model which can be accomplished within the current funding allocation for the project. 2) Consider needed revisions to the project budget including the assignment of appropriate design, construction, and soft cost contingencies, and 3) Approving a project schedule 4) Establishing a process for involving appropriate interests in the design review process.

Attached Exhibit E suggests how the Council subcommittee may work in coordination with staff to address the issues described.

FISCAL IMPACTS: None

EXHIBIT D
Community Indoor Recreation Center
LEEDS Process

Leeds Design Cost in Noll & Tam Contract.....\$99,580

Scope of Services: Includes soft costs related to design only to develop the process for determining appropriate level of Leeds including conducting a “charrette”. Attaining the level of certification is estimated to cost \$76,000

Attaining higher levels of LEEDS may cost in excess of \$99,580

Leeds Levels-Relative Construction Costs:

<i>Certification</i>	<i>Up to 3% of Building Costs</i>	<i>(\$378,000)</i>
<i>Silver</i>	<i>5% “ ” “</i>	<i>(\$630,000)</i>
<i>Gold</i>	<i>10% “ ” “</i>	<i>(\$1,260,000)</i>

EXHIBIT E

Community Indoor Recreation Center

Ad-Hoc Design Committee

Ad-Hoc Council- Staff IRC Design Committee:

A committee formed by two Council members and staff.

Committee Chair:

The Committee Chair will be appointed by Council and will be one of the two Council members appointed to the subcommittee.

IRC Ad-Hoc Design Committee Objectives:

- 1) To work with staff and present recommendations to Council for adoption of IRC programming spaces, and associated design and construction budget and schedules.
- 2) To prepare a recommendation to Council for a review process during the design phase to include the Parks and Recreation Commission, Senior and Youth Advisory Committees, and other appropriate interests.

Time Frame:

The committee will convene one or more times as needed to create recommendations regarding the issues listed on the attached staff report. The workshop committee chair will report back to Council within 60 days.



CITY COUNCIL STAFF REPORT

MEETING DATE: April 23, 2003

COMMUNITY AND CULTURAL CENTER OPERATIONAL POLICIES AND PROCEDURES UPDATE

RECOMMENDED ACTIONS:

1. Receive report
2. Provide direction to staff regarding operating policies and rental rate changes for the Community and Cultural Center.
3. Schedule a public hearing if changes to the current rental rates are directed by Council

EXECUTIVE SUMMARY: The Community and Cultural Center (CCC) has been operating as a community recreation venue and event center available for rent to private users, non-profit groups and the community since January 2003. Over its brief history, staff has been able to determine some policy issues that have affected the possible cost recovery and customer service expectations of the center. Staff was also directed by Council to report after the center had been in operation for the first three months to provide an update and evaluation of the policies and procedures by which the center operates. This process was started at the Council meeting of March 26, 2003 with a discussion regarding the issue of private and non-profit event insurance coverage. Council received the report and asked staff to continue with the current insurance policy requirements while following up on possible alternatives for event insurance coverage for the center. The Risk Manager/Finance Director is researching this option.

After three months of operation, staff is proposing changes to our CCC Policies, Procedures and Rental Rates that will:

1. Improve customer service and make rental procedures less cumbersome.
2. Allow staff to work more efficiently.
3. Resolve some issues that reduce cost recovery and better enforce terms of the rental agreement.

Staff has attached a memorandum (attachment A) that outlines the proposed changes to the process and revisions to the fees. Major areas of proposed changes include liability insurance, private security services, catering services, and rate structures. A record of paid reservations since the CCC opened is included as attachment B. This record does not include city use, recreation use, and sponsored use.

Fiscal Impact: Implementing policy changes may increase rental fees but include services that have been charged as additional services currently. It is expected that the proposed changes will result in overall cost recovery through higher volume of CCC use and more staff flexibility in addressing customer services, but may result in increased liability exposure.

Agenda Item # 16

Prepared By:

**Manager, Recreation &
Community Services**

Submitted By:

City Manager



TO: ED TEWES, CITY MANAGER
FROM: JULIE SPIER, RECREATION AND COMMUNITY SERVICES MANAGER
RE: COMMUNITY AND CULTURAL CENTER POLICIES AND PROCEDURES
UPDATE AND RECOMMENDED CHANGES
DATE: APRIL 17, 2003

The Community and Cultural Center (CCC) has been in operation for three months and staff was asked to provide a progress report to Council after the initial opening of the center. In this brief time staff has observed that some revisions to the operating policies and procedures would benefit our efforts to improve customer service orientation, recovery of operating costs and permit our staff to deliver services more efficiently. Staff began this process with a presentation to Council on March 26, 2003 to discuss the impacts of insurance requirements on potential users and how the insurance market has changed since September 11. In this memo, staff will address this and other issues that do impact cost recovery, staff efficiencies and customer service.

RECREATION CLASSES

The center has experienced tremendous growth in recreational classes and with the recent addition of the water feature and our few sunny days, some members of the community have experienced the joy of playing at the center. As reported at the March 26 meeting, classes have grown from 157 offerings last year to 287 at the CCC. Current policies with respect to recreation programs are working well and need no revisions at this time except for registration software. A working group has been established with Finance and Recreation Staff and will provide a recommendation at a later date to determine the compatibility and flexibility of the current process and what's available in the marketplace.

COMMUNITY PLAYHOUSE

The Playhouse is now operating with our home theater company and staff has been assigned to begin promoting and renting the facility. Currently, City policies require rental of the Playhouse have a 4 hour minimum for non-performance, meeting related events. Since this is a new community facility and demand has yet not exceeded our capacity, we believe that customer service and cost recovery could be enhanced, and use of the Playhouse can be promoted, by eliminating minimum rental time for meetings at all times. In addition, the Playhouse operating policies and rental rates will also be modified to remain consistent with policy changes proposed for the CCC. Proposed changes to the CCC policies below will also apply to the Playhouse. This will increase staff efficiency and provide the end-user with comparable choices for meeting room spaces.

COMMUNITY CENTER

City staff has been most active in responding to requests for room rentals at the CCC for all types of functions. Attached are several exhibits that outline the types of reservations and sales to date, operating costs and the CCC's net operating position. Offering services at a City owned community center is a new experience for the Morgan Hill Community. In many cases, it appears that community expectations for the types of services offered and rates established for those services do not always coincide with the City's ability to provide those services. The City's need to recover a portion of the Center's operating costs through room rental has been a learning experience for the community. Be aware that staff has researched the operating policies of neighboring, comparable community facilities such as Cupertino's Quinlan Center and San Ramon's Community Center and our proposed policies are consistent in many areas. As with any new endeavor, our brief operating history has demonstrated that some issues have arisen that impact our ability to provide excellent customer service, recovery of operating costs, and permitting our staff to work efficiently. These issues are summarized below followed by proposed revisions to policies and procedures to address these issues.

Customer Service Issues:

- Room Rates were initially based on the current market at similar venues with discounts for various community groups. In an attempt to ensure actual cost recovery for specific costs, several add-on services are currently required at extra cost. The total package is still very competitive but these required add-on services give the perception of high costs and do not promote good customer service or marketing strategy.
- Asking users to arrange for their own ancillary services has been time consuming and difficult to coordinate. This is especially true with respect to ensuring that catering and security service providers meet city standards before the user's event occurs and still require staff time to facilitate the process.
- The cost of insurance is often expensive, not consistent, and the required language and process for users to obtain insurance is not always easy given current City insurance requirements.
- Rate schedules and the definitions of user groups categories are confusing, especially for non-profit and community organizations.
- A single event attendant is not always sufficient to attend to user needs for large events of over 100 participants.
- Procedures regarding the use of the Amphitheater for public events create confusion with other City policies regarding Special Events Permits.

Staff Efficiency:

- Staff often expends excessive work ensuring that users are able to obtain insurance, catering, security, etc.
- The Priority System for booking rentals and bumping reservations has proven to be cumbersome for city users and staff. This issue also impacts internal customer service.
- Current rental schedule and hours sometimes makes staffing events difficult, especially late evenings and holiday weekends. It also makes it difficult to have the facility ready for the next user if there is a late evening rental followed by an early morning one.

Cost Recovery Issues:

- Users often arrive to set up the room well before or remain well past their paid rental hours, requiring staff to expend more time at the event, the cost of which has not been recovered.
- Use of the Kitchen requires staff hours which are not recovered.
- Some large private events have resulted in excessive cleanup and behavior issues resulting from the attendance of many more participants than the number listed in the rental agreement and/or the sale and consumption of hard alcoholic beverages.

Proposed Policy Changes to Address These Issues:

The following are proposed policy changes that address the issues listed above. Most of these issues have surfaced with reservations for large events that include meals, entertainment, alcoholic beverages and require private security. These proposed policy changes will enable the reservation process to be more customer-friendly and will simplify and streamline the process for the end user and city staff.

1. **Room User Group categories should be clarified:** All reservations, regardless of User Group, will be made on a first come-first serve basis. The definitions of group categories will be modified to read:
 - Morgan Hill non-profit and community organizations. These include community groups with a tax exempt status or other recognized, ongoing Morgan Hill organizations that provide community benefit.
 - Morgan Hill Residents. (persons residing within the city limits as evidenced by receiving a city water bill)
 - Morgan Hill Businesses. (businesses with addresses within the city limits as evidenced by receiving a city water bill)
 - Market rate for all other users. This category includes non-profit organizations and community groups that are not located within the city limits.

The use of the facility for official city business will follow the same policy as other city facilities. Reservations will be made and confirmed at no charge on a first come

first served basis. Official city business is defined as either use by city departments and public office holders for work related meetings or other events that the City has officially agreed to sponsor by assuming the cost of liability insurance, staff assistance, and room rental fees. The City staff person/department requesting the reservation will be required to handle all aspects of the room use as is currently done with other city room uses.

2. **Room Use categories should be modified to reflect the nature of room use:** These categories are proposed as follows:
 - Large rooms (includes Hiram Morgan Hill Room, El Toro Room and Amphitheater) for private events and for events open to the public.
 - Meeting Rooms (includes all other rooms and the Children's Pavilion)
 - Community Playhouse
 - Amphitheater
3. **Rental rate schedules should be restructured:** Rental and service fees for use of the CCC intended to partially recover maintenance and operating costs. The revised rental rate structure is intended to be competitive and more customer-friendly. It also aims to balance the desire to increase use of the CCC for more events with the need to still recover some portion of the operating costs per event. The proposed rate schedules are attached as Tables 1 through 4. Basic room rentals will increase but will now include all ordinary city provided services that may have previously been provided at extra charge. For example, rental of a large room for a private event will include basic set-up and take-down, basic janitorial services, basic A/V set-up, one Event Attendant and non-exclusive use of the kitchen (exclusive use of the kitchen at an added cost will no longer be available). Rental of meeting rooms will include basic set-up and take-down, basic janitorial services, basic A/V set-up, coffee service (with coffee, tea, and condiments provided for the user), and an event attendant during non-business hours. In some cases, the new, all inclusive basic rates will actually be less than the previous combined cost of the rental and extra services.

If a user requests, or the City determines, that additional services are required, they will be available for a fee. For example, if it is determined that the size and nature of a large event will require two event attendants and/or special janitorial services, that additional service will be available at extra cost.

Special rental rates may also be negotiated for certain circumstances such as large events that occupy the entire community center facility, or occupy large rooms over consecutive several days. These rates will be negotiated based on the type of event, category of user and the overall value of rentable space.

The proposed rates were derived from current rates, including city provided services, with an emphasis to maximize local community use. However, some services that will now be included in the basic rental rate for a given category may not achieve

total cost recovery. It is hoped, however, that simplifying rental rates may promote a higher volume of rentals. A sample rate sheet is attached that compares current rates to proposed rates as attached in Tables 1 through 4. Recommended cost recovery rates are compared to current and proposed rates in Table 5. Further adjustments to the rental rate structure can be considered depending on the level of cost recovery desired by the City.

Finally, experience has shown that more time and work is required to determine the needs of an event in order to calculate rental fees and finalize a reservation. It is proposed that the non-refundable reservation processing fee be adjusted from \$17 to \$25 to more accurately reflect cost recovery for that process.

4. **Rental Deposit policy should be modified:** Currently, users pay a rental deposit to hold their reservation. Users forfeit their rental deposit on a pro-rated basis only if the reservation is cancelled within 60 days of the event. Because City staff begins event scheduling and planning process as soon as the reservations is made, it is recommended that a cancellation fee of **\$50** be applied to all reservations cancelled more than 60 days in advance of the event. To simplify the current pro-rated refund policy, it is proposed that the entire rental deposit is forfeited for all cancelled reservations within 60 days of the planned event. Should a reservation require a change of date once the reservation is made, it is recommended that a **\$25** rescheduling fee be added to recover city staff time to make the reservation change arrangements.
5. **Security/Damage Deposits for certain uses should be simplified:** Security/Damage Deposit rates will be consistent for all rooms at the CCC and Playhouse, and a nominal security deposit will be added for the Children's Pavilion since the risk of damage to that room is higher than other meeting rooms. Security/Damage Deposits will be due at the time reservations are made. Staff has faced problems with events lasting far longer and attracting many more participants that listed in the rental agreement. To address this, an amount equal to 1.5 times the hourly rate will be deducted from the Security/Damage Deposit for each hour (or portion thereof) that an event extends beyond the ending time listed in the reservation. In addition to existing conditions that may cause the forfeiture of deposits, the entire Security/Damage Deposits may also be forfeited if the event exceeds the number of participants listed in the rental agreement.
6. **Insurance requirements should be revised:** Because of radical changes in the insurance industry, users are still having great difficulty in obtaining event insurance that meets City requirements at a reasonable cost. Since the staff report to Council on March 27, there have been more examples of how difficult insurance is becoming for private users. One City requirement is the "Primary Non-Contributing" language to be included in the insurance policy for event coverage. Some insurance companies

are simply not providing this language as a rider to a homeowner's policy. This has happened to three private events that will be occurring in the near future whereas the homeowners insurance company refused to provide the 'primary non-contributing' language and the renter had to return to city staff to request a quote from our special event insurance broker. At this point, City staff has to pass on the information required to our broker and then wait for a quote reply if the event does not fall into a Hazard I classification. As staff explained at the March 27 Council Meeting, a wedding with alcohol and dancing is considered a Hazard I risk and the cost is \$185. An anniversary party with alcohol and dancing is a hazard II risk, requires a quote from the underwriter, and the quote came back at \$711.25. In comparison, the rental fee was only \$1080.00 including the event attendant fee.

Following the Council's direction we are still seeking solutions to the insurance issue. We know that obtaining insurance is important to protect the City's position, and yet we also know that the cost and complexity of obtaining insurance by individuals and small groups is impacting our ability to meet customer expectations. It would be possible to modify our insurance requirements, but at the risk of increasing potential liability. For example, it now seems clear that a homeowner's policy rider that indicates that the coverage is "primary and non-contributing" is not available at what customers consider affordable rates. By requiring that insurance be "primary and non-contributing" we are requiring that the customer's insurance pay all claims up to the policy limits before the City's insurance coverage or self insured retention would kick in. Therefore, the policy issue is one of balancing goals of facilitating use of the facility and protecting the City's assets from potential claims. The Community Center Manager recommends that the language be modified. The Risk Manager recommends that it not be.

After several weeks of effort we have now identified two insurance carriers who will quote blanket coverage for City coverage. Applications have been submitted, but it may take weeks to receive a response. If this option proves acceptable and affordable, the City will provide all event insurance and charge the user a fee for this service. Finally, the City currently requires full liability insurance only for certain events with more than 100 participants. It is proposed that, due to possible liability issues, insurance requirements also pertain to any event at which alcoholic beverages are served, regardless of the number of participants.

7. **Kitchen use and catering service policies should be modified to provide the user more flexibility.** Exclusive use of the kitchen will no longer be available. Non-exclusive kitchen use will be included in the basic rental rate. Users will now have three options with respect to use of the kitchen which adhere to Health Department requirements:

- a. The user may utilize the kitchen to warm prepared food for their event.

- b. The user may contract with a caterer that is already on the list of qualified caterers at the time the reservation is made.
- c. The user may utilize the kitchen to cook food (or utilize other caterers) provided that a City Kitchen Manager is present. Because the Kitchen Manager is an extraordinary service, it will be provided at extra charge.

Guests will not be allowed to serve themselves alcoholic beverages. Alcoholic beverages must be served in one of two following ways:

- a. Caterer provides servers, or
- b. The user provides a bartender or assigns one person designated to serve alcoholic beverages and informs the event attendant of who that person is.

An adult bartender must dispense alcoholic beverages and state laws pertaining to the service or sale of alcoholic beverages must be observed. The user will be provided an information sheet at the time they reserve the facility.

8. **Private Security requirements should be modified:** For events requiring private security, the user must contract with a licensed private security company. The number of required security officers varies depending on the nature and size of the event. If a user chooses a private security company that has not yet been used at the CCC, significant staff work is required to ensure that the security company meets City requirements prior to the date of the event. It is recommended that Council provide direction to modify our existing policy in one of two ways. One option would be to require users to contract with a private security company that has pre-qualified with the City at the time the reservation is made. As an alternative, staff would prefer to explore the feasibility of having the City contract with a single private security company to provide service at all CCC events, the cost of which is charged to the user. This method increases customer service by reducing extra arrangements that users have to make, and it allows for greater consistency of service to the City. The security company will be orientated to the facility and staff and the City's expectations of event coverage, instead of taking direction from the end-user. Also, staff would utilize the security staff to insure adequate clean-up and event closure of the facility by the end-user. Currently, the security staff are directed by the end-user as the customer and the security ends when the event is over which does not include clean-up and 'stragglers', which are staff issues.
9. **Rental hours should be modified:** Because event clean-up time extends a minimum of one hour beyond the CCC's current operating hours, it is possible that event attendants must work late into the evening only to report to work in the morning. To ease this burden, slight modifications to the operating hours are proposed as listed below. Operating hours would be modified to begin at 7:30 a.m. (instead of 7:00 a.m.) Monday through Saturday and close at 10:00 p.m. Sunday through Thursday. No extended evening hours for events will be permitted except for

New Year's Eve. Closing an event at 10:00 p.m. Sunday through Thursday or 11:00 p.m. on Friday and Saturday permits one additional hour for clean-up allowing the Center to be closed by 11:00 pm or midnight.

PROPOSED RENTAL HOURS OF THE COMMUNITY AND CULTURAL CENTER

Area	Monday –Thursday	Friday -Saturday	Sunday
<u>All rooms at CCC</u>			
Current operating hours	7:00 am – 11:00 pm	7:00 am – 11:00 pm	8:00 am – 11:00 pm
Proposed operating hours	7:30 am – 10:00 pm	7:30 am – 11:00 pm	8:00 am – 10:00 pm
<u>Amphitheater</u> (no change)	8:00 am – 9:00 pm	8:00 am – 9:00 pm	8:00 am - 9:00 pm
<u>Community Playhouse</u>			
Current operating hours	7:00 am-11:00 pm	7:00 am – 11:00 pm	8:00 am – 9:00 pm
Proposed operating hours	7:30 am – 10:00 pm	7:30 am – 11:00 pm	8:00 am – 9:00 pm

10. **Room capacities should be modified:** Based on experience, the existing maximum room capacities of the Hiram Morgan Hill Room and the El Toro Room do not account for room required for dancing, beverage and food service. This has resulted in overcrowded conditions and safety concerns at large events. Other event conditions make it prudent from a safety and comfort standpoint to reduce these capacities further depending on whether a dance floor is provided, whether meals are waiter served or buffet tables are placed in the room, whether a bar, sign in table or other furniture is placed in the room, and whether certain head table arrangements or other ancillary furniture for displays are required. It is proposed that staff be given the discretion to limit attendance below the maximum capacities based on the requirements of a given event. Also, staff will be meeting with the appropriate city services to determine room capacities that meet safety requirements while providing for adequate attendance levels for the renter. Staff will be recommending the maximum room capacities for these rooms at a later date.

11. **Explore the creation of an Event Coordinator Assistance Program:** The City has attempted to make rental of our facilities as customer friendly as possible. However, potential users are still responsible to make certain arrangements for other services related to their reservation. These may include contacting caterers, private security companies, insurance companies, etc. Depending how other issues are resolved, this process will become easier, but not eliminated. Staff would like to pursue the possibility of offering an Event Coordinator Assistance Program whereby City staff would make all of the above arrangements for the user, including reserving services,

completing forms and agreements, obtaining signatures, and other similar services for the user. The City would provide this program as an optional service at extra cost. The cost of this service would be calculated based on recovering actual cost to the city for staff time involved.

PROPOSED RATES AND RENTAL FEE SCHEDULE

General Fees that apply to all reservations:

1. A non-refundable Reservation Processing Fee of **\$25** applies to all reservations. (Increased from \$17)
2. A Rental Deposit equal to 50% of total rental fee is due when reservation is made.
3. A refundable Security/Damage Deposit is required for rental of Large Rooms and the Playhouse as follows:
 - No alcoholic beverages served: \$350
 - Alcoholic beverages served: \$500
 - (Current Security Deposit ranges from \$350 to \$700 depending on room and alcohol use)
 - Children's Pavilion \$100

Room Rental Rates:

1. Rental fees for large rooms include City supplied services such as set-up, tear-down, basic janitorial services, basic A/V setup, non-exclusive kitchen use and one event attendant services.
2. Rental fees for meeting rooms include City supplied services such as set-up, tear-down, basic janitorial services, basic A/V setup, and coffee services.
3. Prime Time Rental Rates apply Friday after 5:00 p.m. & all day Saturday, Sunday, Holidays

TABLE 1: Sample Fee Schedule for Morgan Hill Non-profit & Community Group Discount Rate:

Room Use	Current Prime Time Rental	Proposed Prime Time Rental	Current Non-Prime Time Rental	Proposed Non-Prime Time Rentals
Large Rooms	4 hr. min rental	4 hr. min rental	No min. rental	No min. rental
Hiram Morgan Hill Room	\$50/hr+extras	\$60/hr	\$50/hr+extras	\$50/hr
El Toro Room	\$30/hr+extras	\$40/hr	\$30/hr+extras	\$30/hr
Amphitheater	\$30/hr+extras	\$40/hr	\$30/hr+extras	\$30/hr
Community Playhouse				
Performances (per 4 hr. performance)	\$225+extrtas	\$245/rental	\$225+extras	\$245/rental
Technical Rehearsals (per 4 hr. rehearsal)	\$125+extras	\$125/rental	\$125+extras	\$125/rental
Non-technical Rehearsal (2 hr. min. rental)	\$20/hr.+extras	\$30/hr	\$20/hr+extras	\$30/hr
Meeting Rooms including Playhouse (No minimum rental)	\$30/hr+extras	\$35/hr	\$30/hr+extras	\$30/hr
Extras: One Event Attendant	\$20/hr	Included	\$20/hr	Included

Other extra services currently charged include exclusive use of kitchen. Non-exclusive use of kitchen will be included

TABLE 2: Sample Fee Schedule for Morgan Hill Residents Discount Rate:

Room Use	Current Prime Time Rental	Proposed Prime Time Rental	Current Non-Prime Time Rental	Proposed Non-Prime Time Rentals
Large Rooms (w/ one event attendant)	4 hr. min rental	4 hr. min rental	No min. rental	No min. rental
Hiram Morgan Hill Room	\$100/hr+extras	\$115/hr	\$60/hr+extras	\$75/hr
El Toro Room	\$80/hr+extras	\$95/hr	\$40/hr+extras	\$55/hr
Amphitheater	\$160/hr+extras	\$175/hr	\$120/hr+extras	\$135/hr
Community Playhouse				
Performances (per 4 hr. performance)	\$225+extrtas	\$245/rental	\$225+extras	\$245/rental
Technical Rehearsals (per 4 hr. rehearsal)	\$125+extras	\$125/rental	\$125+extras	\$125/rental
Non-technical Rehearsal (2 hr. min. rental)	\$20/hr.+extras	\$30/hr	\$20/hr+extras	\$30/hr
Meeting Rooms including Playhouse (No minimum rental)	\$40/hr+extras	\$50/hr	\$40/hr+extras	\$40/hr
Extras: One Event Attendant	\$20/hr	Included	\$20/hr	Included

Other extra services currently charged include exclusive use of kitchen. Non-exclusive use of kitchen will be included.

TABLE 3: Sample Fee Schedule for Morgan Hill Businesses Discount Rate:

Room Use	Current Prime Time Rental	Proposed Prime Time Rental	Current Non-Prime Time Rental	Proposed Non-Prime Time Rentals
Large Rooms	4 hr. min rental	4 hr. min rental	No min. rental	No min. rental
Hiram Morgan Hill Room	\$100/hr+extras	\$120/hr	\$60/hr+extras	\$80/hr
El Toro Room	\$80/hr+extras	\$100/hr	\$40/hr+extras	\$60/hr
Amphitheater	\$160/hr+extras	\$180/hr	\$120/hr+extras	\$140/hr
Community Playhouse				
Performances (per 4 hr. performance)	\$225+extrtas	\$245/rental	\$225+extras	\$245/rental
Technical Rehearsals (per 4 hr. rehearsal)	\$125+extras	\$125/rental	\$125+extras	\$125/rental
Non-technical Rehearsal (2 hr. min. rental)	\$20/hr.+extras	\$30/hr	\$20/hr+extras	\$30/hr
Meeting Rooms including Playhouse (No minimum rental)	\$40/hr+extras	\$50/hr	\$40/hr+extras	\$40/hr
Extras: One Event Attendant	\$20/hr	Included	\$20/hr	Included

Other extra services currently charged include exclusive use of kitchen. Non-exclusive use of kitchen will be included.

TABLE 4: Sample Fee Schedule for Market Rate for All Other Users:

Room Use	Current Prime Time Rental	Proposed Prime Time Rental	Current Non-Prime Time Rental	Proposed Non-Prime Time Rentals
Large Rooms	4 hr. min rental	4 hr. min rental	No min. rental	No min. rental
Hiram Morgan Hill Room	\$125/hr+extras	\$145/hr	\$75/hr+extras	\$95/hr
El Toro Room	\$100/hr+extras	\$120/hr	\$50/hr+extras	\$70/hr
Amphitheater	\$200/hr+extras	\$220/hr	\$150/hr+extras	\$170/hr
Community Playhouse				
Performances (per 4 hr. performance)	\$225+extrtas	\$245/rental	\$225+extras	\$245/rental
Technical Rehearsals (per 4 hr. rehearsal)	\$125+extras	\$125/rental	\$125+extras	\$125/rental
Non-technical Rehearsal (2 hr. min. rental)	\$20/hr.+extras	\$30/hr	\$20/hr+extras	\$30/hr
Meeting Rooms including Playhouse (No minimum rental)	\$50/hr+extras	\$60/hr	\$40/hr+extras	\$50/hr
Extras: One Event Attendant	\$20/hr	Included	\$20/hr	Included

Other extra services currently charged include exclusive use of kitchen. Non-exclusive use of kitchen will be included.

Special services available include:

A/V specialist in attendance at event:	\$30/hr (2 hr. minimum)
Kitchen Coordinator:	\$30/hr (2 hr. minimum)
Event attendant in addition to one supplied:	\$20/hr (2 hr. minimum)
IT Specialist for meetings	varies depending on service
Special janitorial services	varies depending on service

Special rental rates may also be negotiated for special circumstances such as large events that occupy the entire community center facility, and/or occupy large rooms over consecutive several days. These rates may include necessary additional event attendants and special janitorial services. Rates will be negotiated based on the type of event, category of user and the overall value of rentable space.

TABLE 5: Comparison of Total Cost Recovery Rate to Current Rates and Proposed Rates

Room Use: Prime Time	Hiram Morgan Hill Room	El Toro Room	Amphitheater	All other rooms
Cost Recovery Rate	\$175/hr+extras	\$125/hr+extras	\$250/hr+extras	\$50/hr+extras
Current Market Rate	\$125/hr+extras	\$100/hr+extras	\$200/hr+extras	\$50/hr+extras
Current Resident/Business Rate	\$100/hr+extras	\$80/hr+extras	\$160/hr+extras	\$40/hr+extras
Current Non-Profit Rate	\$50/hr+extras	\$30/hr+extras	\$30/hr+extras	\$30/hr+extras
Proposed Market Rate	\$145/hr total	\$120/hr total	\$220/hr total	\$60/hr total
Proposed Resident Rate	\$115/hr total	\$95/hr total	\$175/hr total	\$40/hr total
Proposed Business Rate	\$120/hr total	\$100/hr total	\$180/hr total	\$50/hr total
Proposed Non-Profit Rate	\$60/hr total	\$40/hr total	\$40/hr total	\$35/hr total

Room Use: Non-Prime Time	Hiram Morgan Hill Room	El Toro Room	Amphitheater	All other rooms
Cost Recovery Rate	\$100/hr+extras	\$50/hr+extras	\$150/hr+extras	\$30/hr+extras
Current Market Rate	\$125/hr+extras	\$50/hr+extras	\$150/hr+extras	\$40/hr+extras
Current Resident/Business Rate	\$60/hr+extras	\$40/hr+extras	\$120/hr+extras	\$40/hr+extras
Current Non-Profit Rate	\$50/hr	\$30/hr	\$30/hr	\$30/hr
Proposed Market Rate	\$95/hr total	\$70/hr total	\$170/hr total	\$50/hr total
Proposed Resident Rate	\$75/hr total	\$55/hr total	\$135/hr total	\$40/hr total
Proposed Business Rate	\$80/hr total	\$60/hr total	\$140/hr total	\$40/hr total
Proposed Non-Profit Rate	\$50/hr total	\$30/hr total	\$30/hr total	\$30/hr total

1. Prime Time rentals occur during non-business hours on Friday through Sunday and holidays. City must provide extra staff to perform required services. Non-Prime Time includes normal business hours plus Monday through Thursday evening.
2. Cost recovery rate was determined through a comparative study by SMG in July 2002. Note: Current Municipal Code requires that City service fees be set at full cost recovery.
3. Current rate extra costs include one event attendant (\$20/hr), exclusive use of the kitchen (\$30/hr) and other extra services.
4. Proposed total rates include one event attendant, non-exclusive use of kitchen and other misc. services at no extra cost.

Morgan Hill Community & Cultural Center														
		Revised 4/15/03												
78 Reservations														
Event Date:	Day:	Time:	Organization/Group:	Type of Event:	# of Guests:	Totals:	Bal. Due:	Date Due:	ABC:	Insurance:	Security:	# of Mtgs.	#of Calls	
12/15/2002	Sun.	1:00pm - 5:00pm	AAUW	Holiday Party	50	\$677	\$0.00		No	No	No	4	4	
12/21/2002	Sun.	11:00am - 3:00pm	Doris & Julius Menendez	50th Wedding Anniversary	150	\$827	\$0.00		No	No	No	4	4	
1/10/2003	Fri.	9:00am - 1:00pm	South County Bd. Of Realtors	Planning Meeting	40	\$367	\$0.00		No	No	No	2	4	
1/15/2003	Wed.	6:30pm - 9:00pm	American Cancer Society	Kick Off Relay - Relay 4 Life	100	\$272	\$0.00		No	No	No	4	2	
1/16/2003	Thurs.	1:30pm - 5:30pm	Monterey Mushrooms	Meeting	15	\$217	\$0.00		No	No	No	2	3	
1/18/2003	Sat.	11:30am - 2:30pm	Paul & Corrine Zane	Kid's Birthday Party	24	\$197	\$0.00		No	No	No	2	3	
1/22/2003	Wed.	6:00pm - 9:00pm	Las Madres	Pre-School Infor. Night	80	\$287	\$0.00		No	No	No	2	2	
1/25/2003	Sat.	1:00pm - 5:00pm	Arta' La Russe	Art Show Reception	80 - 100	\$767	\$0.00		No	No	No	3	2	
1/25/2003	Sat.	7:00pm - 12:00am	Anne Rosenzweig	Retirement Party	88	\$1,117	\$0.00		No	No	No	1	2	
1/26/2003	Sun.	9:30am - 4:30pm	Shadow Mtn. Baptist Church	Church Service	300	\$1,807	\$0.00		No	No	No	5	8	
2/4/2003	Tues.	12:30pm - 3:30pm	Chicago Title	Training Class	80 - 100	\$407	\$0.00		No	No	No	2	6	
2/6/2003	Thurs.	7:00pm - 10:00pm	Touelle Owners Assn.	Annual HO Meeting	100	\$317	\$0.00		No	No	No	2	5	
2/8/2003	Sat.	4:00pm - 9:00pm	Victory Outreach	Birthday Party - 50's Theme	60-100	\$967	\$0.00		No	No	No	4	5	
2/11/2003	Tues.	12:30pm - 3:30pm	Chicago Title	Training Class	80	\$330	\$0.00		No	No	No	1	3	
2/11/2003	Tues.	7:30am - 11:30am	South Valley Islamic Center	Prayer Meeting	200	\$367	\$0.00		No	No	No	1	1	
2/13/2003	Thurs.	8:30am - 11:30am	Santa Clara Valley Water Dist.	Meeting	16	\$90	\$0.00		No	No	No	0	3	
2/14/2003	Fri.	6:00pm - 10:00pm	MH Bible Church	Banquet - Valentine's Day	150	\$647	\$0.00		No	No	No	3	3	
2/18/2003	Tues.	12:30pm - 2:30pm	Chicago Title	Training Class	40	\$77	\$0.00		No	No	No	2	3	
2/22/2003	Sat.	9:00am - 1:00pm	BookSmart	Book Signing	150+/-	\$40	\$40.00	NOW	No	No	No	2	7	
2/22/2003	Sat.	2:00pm - 11:00pm	MH Chamber of Commerce	Awards Dinner	244	\$1,302	\$0.00	1/22/2003	Yes	Yes	Yes	4	6	
2/23/2003	Sun.	11:00am - 3:00pm	Beth El Baptist Church	Buffet Potluck	120	\$647	\$0.00		No	No	No	2	5	
2/24/2003	Mon.	10:00am - 2:00pm	Abbott Laboratory	Business Luncheon	64	\$487	\$0.00		No	No	No	1	3	
2/28/2003	Fri.	9:00am - 12:00pm	Child Development Center	Meeting	11	\$107	\$0.00		No	No	No	1	3	
3/1/2003	Sat.	11:00am - 3:00pm	Crossroads Christian School	Father/Daughter Party	150	\$647	\$0.00		No	No	No	3	2	
3/7/2003	Fri.	8:30am - 1:00pm	Chicago Title	Training Class	40	\$420	\$0.00		No	No	No	1	3	
3/8/2003	Sat.	5:00pm - 12:00pm	Kanwaljit Dhanoa	Wedding Reception	192	\$1,417	\$0.00		No	Yes	Yes	5	12	
3/10/2003	Mon.	6:00pm - 8:00pm	Live Oak Boys Basketball	Award Banquet	51	\$267	\$0.00		No	No	No	3	4	
3/11/2003	Tues.	12:00pm - 2:00pm	Morgan Hill Bible Church	Meeting	15	\$77	\$0.00		No	No	No	2	2	
3/15/2003	Sat.	4:00pm - 12:00am	Salley Bermea/Pacific Bell	Retirement Party	184	\$1,537	\$0.00		Yes	Yes	Yes	3	4	
3/15/2003	Sat.	12:00pm - 5:00pm	Sara Suresh	Birthday Party	85+/-	\$867	\$250.00	2/15/2003	No	No	No	4	6	
3/21/2003	Fri.	12:30pm - 3:30pm	First American Title	Training Class	50	\$287	\$0.00		No	No	No	1	2	
3/25/2003	Tues.	2:00pm - 4:00pm	Chicago Title	Training Class	25	\$87	\$0.00		No	No	No	1	3	
4/12/2003	Sat.	12:30pm - 4:30pm	Hema Look & Tara Corona	Birthday Party	50	\$767	\$0.00		No	No	No	1	3	
4/13/2003	Sun.	7:00pm - 9:00pm	United Methodist Church	Meeting - Dialogue Group	24	\$117	\$0.00		No	No	No	2	4	
4/17/2003	Thurs.	11:00pm - 3:00pm	Victory Outreach	Memorial Service/Potluck	100	\$547	\$0.00		No	No	No	1	4	
4/18/2003	Fri.	8:00am - 12:00pm	Chicago Title	Training Class	40	\$407	\$0.00		No	No	No	1	3	
4/19/2003	Sat.	4:00pm - 10:00pm	Charmayne Hollins	Sweet 16 Party	80	\$1,087	\$0.00		No	No	No	3	4	
4/25/2003	Fri.	12:30pm - 3:30pm	First American Title	Training Class	50	\$287	\$0.00		No	No	No	1	2	
4/25/2003	Fri.	2:00pm - 11:00pm	Live Oak Wine Auction	Wine Auction - Fundraiser	200+/-	\$1,237	\$360.00	3/25/2003	Yes	Yes	Yes	6	10	
4/26/2003	Sat.	3:00pm - 12:00am	Maria Esquivel/Ester La Chuga	50th Wedding Anniversary	200	\$1,597	\$540.00	3/26/2003	No	Yes	Yes	1	2	
4/28/2003	Mon.	4:30pm - 10:30pm	Santa Clara Valley Water Dist.	Public Meeting	300+	\$767	\$0.00		No	No	No	1	10	

4/29/2003	Tues.	5:30pm - 8:30pm	Leukemia & Lymphoma Society	Informational Meeting	30-40	\$167	\$83.50	3/29/2003	No	No	No	1	3
Event Date:	Day:	Time:	Organization/Group:	Type of Event:	# of Guests:	Totals:	Bal. Due:	Date Due:	ABC:	Insurance:	Security:	# of Mtgs.	#of Calls
5/3/2003	Sat.	11:00am - 11:00pm	Jorge & Lucy Natera	Quincerneria	200	\$1,727	\$688.50	4/3/2003	No	Yes	Yes	6	7
5/8/2003	Thurs.	8:30am - 11:30am	Santa Clara Valley Water Dist.	Meeting	16	\$90	\$0.00		No	No	No	0	3
5/10/2003	Sat.	10:00am - 3:00pm	Shadow Mtn. Baptist Church	Mother/Daughter Luncheon	136	\$517	\$0.00		No	No	No	2	4
5/14/2003	Wed.	7:00pm - 10:00pm	Best America Party	Political Rally	250	\$407	\$0.00		No	No	Yes	6	5
5/18/2003	Sun.	9:30am - 1:30pm	Shadow Mtn. Baptist Church	Church Service	300	\$1,087	\$360.00	4/18/2003	No	No	No	3	4
6/5/2003	Thurs.	10:00am - 2:00pm	MH Community Foundation	Lunch Meeting	50	\$287	\$0.00		No	No	No	1	4
6/6/2003	Fri.	1:00pm - 3:00pm	First American Title	Training Class	50	\$247	\$0.00		No	No	No	2	3
6/7/2003	Sat.	2:00pm - 10:00pm	Maricel Ibarrola/Marco DeLaCruz	Wedding Reception	158	\$17	\$0.00	5/7/2003	No	Yes	Yes	3	2
6/12/2003	Thurs.	3:00pm - 9:00pm	Central High School	HS Graduation Ceremony	300	\$587	\$0.00		No	Yes	No	2	5
6/18/2003	Wed.	11:00am - 2:00pm	St. Louise Hospital Volunteers	Lunch Meeting	75	\$257	\$0.00		No	No	No	2	3
6/28/2003	Sat.	6:00pm - 11:00pm	Christal Olbrich	HS Graduation Party	190	\$967	\$300.00	5/28/2003	No	Yes	Yes	2	5
7/12/2003	Sat.	12:00pm - 12:00am	Dario Vasquez	Wedding Reception	186	\$2,297	\$898.50	6/12/2003	No	Yes	Yes	5	3
7/19/2003	Sat.	3:00pm - 11:00pm	Joyce Goslin	Wedding & Reception	100	\$2,187	\$660.00	6/19/2003	No	Yes	Yes	4	5
7/20/2003	Sun.	1:00pm - 12:00am	Ismael & Elizabeth Ramirez	Wedding Reception	175	\$2,372	\$936.00	6/20/2003	No	Yes	Yes	3	5
7/26/2003	Sat.	11:00am - 11:00pm	Sara Cedano	Wedding Reception	150	\$1,957	\$720.00	6/26/2003	No	Yes	Yes	4	6
8/2/2003	Sat.	3:00pm - 12:00am	Socoro Anguiano	Quincerneria	220	\$1,507	\$570.00	7/2/2003	No	Yes	Yes	6	10
8/15/2003	Fri.	7:00pm - 11:00pm	Dr. Khan	Pre-Wedding Ceremony	200+/-	\$847	\$240.00	7/15/2003	No	?	?	2	4
8/23/2003	Sat.	8:00am - 9:00pm	El Toro Brewing/MH Aquatics	Brew Festival	1,000+	\$17	TBD	TBD	Yes	Yes	Yes	3	3
9/6/2003	Sat.	11:00am - 7:00pm	Doug Stadtler/Elizabeth Schmidt	Wedding Reception	80	\$1,417	\$458.50	8/6/2003	No	No	No	3	3
9/11/2003	Thurs.	8:30am - 11:30am	Santa Clara Valley Water Dist.	Meeting	16	\$90	\$0.00		No	No	No	0	3
9/13/2002	Sat.	11:00am - 12:00am	Maria Miranda	Quincerneria	200	\$1,977	\$813.50	8/13/2003	No	Yes	Yes	1	5
9/14/2003	Sun.	9:30am - 1:30pm	Shadow Mtn. Baptist Church	Church Service	300	\$1,087	\$360.00	8/14/2003	No	No	No	3	4
9/16/2003	Tues.	6:30pm - 9:30pm	Shadow Mtn. Baptist Church	Church Service	125	\$377	\$105.00	8/16/2003	No	No	No	3	4
9/20/2003	Sat.	2:00pm - 10:00pm	Rebekah Lopez	Wedding Reception	244	\$1,327	\$480.00	8/20/2003	No	Yes	Yes	3	7
10/4/2003	Sat.	6:00pm - 12:00am	Nutan Oza	Dance Performance/Buffet	250	\$907	\$270.00	9/4/2003	No	Yes	Yes	2	3
11/1/2003	Sat.	2:00pm - 7:00pm	Robert & Joy Cicisly	50th Wedding Anniversary	75	\$967	\$239.50	11/1/2003	No	No	No	2	3
11/4/2003	Tues.	2:00pm - 10:00pm	Shadow Mtn. Baptist Church	Building Campaign Dinner	120	\$727	\$0.00		No	No	No	2	4
11/6/2003	Thurs.	2:00pm - 10:00pm	Shadow Mtn. Baptist Church	Building Campaign Dinner	120	\$560	\$0.00		No	No	No	2	4
11/7/2003	Fri.	2:00pm - 10:00pm	Shadow Mtn. Baptist Church	Building Campaign Dinner	120	\$560	\$0.00		No	No	No	2	4
11/13/2003	Thurs.	8:30am - 11:30am	Santa Clara Valley Water Dist.	Meeting	16	\$90	\$0.00		No	No	No	0	3
11/22/2003	Sat.	3:00pm - 11:00pm	Old Republic Title Company	Company Dinner	248	\$1,077	\$280.00	#####	Yes	Yes	Yes	2	3
11/29/2003	Sat.	12:00pm - 11:00pm	Michael Angelo & Tyrus	Wedding Reception	246	\$2,162	\$822.50	#####	No	Yes	Yes	2	6
12/5/2003	Fri.	8:30am - 11:00am	South County Bd. Of Realtors	Breakfast Meeting	90	\$282	\$42.50	#####	No	No	No	2	3
2/21/2004	Sat.	1:00pm - 11:00pm	David Huerta & Erika Gordon	Wedding Reception	220	\$1,757	\$640.00	1/21/2004	No	Yes	Yes	3	4
Every Week	Wed.	8:00am - 9:30am	South County Bd. Of Realtors	Weekly Tour Group Meeting	164	\$4,537	\$2,185.00	6/1/2003	No	No	No	4	2
Every Month	Wed.	10:30am - 3:00pm	Flower Lovers Club	Monthly Meeting	80	\$0	\$0.00		No	No	No	6	2
					TOTALS	\$62,181	\$13,343.00	\$75,524				193	318



CITY COUNCIL STAFF REPORT

MEETING DATE: April 23, 2003

Agenda Item # 17

Prepared By:

Dep. PW Dir/Eng

Approved By:

(Department Director)

Submitted By:

City Manager

WITHDRAWAL OF APPLICATION TO CPUC FOR MADRONE PARKWAY AT-GRADE CROSSING

RECOMMENDED ACTION(S):

1. Direct Staff to Withdraw Current Application to CPUC for Madrone Parkway At-Grade Rail Crossing
2. Direct Staff to Return to Council with a Plan for Addressing the Issues Raised by CPUC and UPRR Prior to Submittal of New Application.

EXECUTIVE SUMMARY:

The Circulation Element of the City's General Plan calls for Madrone Parkway to extend from Monterey Road to Hale Avenue, crossing the Union Pacific Railroad (UP) tracks as a 4-lane arterial. In September of 2002, staff submitted an application to the California Public Utilities Commission (CPUC) for an at-grade crossing of Madrone Parkway over the UP tracks. In the application it was also proposed to close the Tilton Avenue crossing. The City's application was protested by UP for safety reasons and for the fact that the proposed crossing is inconsistent with their policy of reducing the number of at-grade crossings wherever possible (see attached 11/5/02 protest to our application from UPRR). CPUC and UP prefer a grade-separated bridge structure over or under the tracks to eliminate any vehicle-train conflicts at Madrone Parkway. The City does not have a funding mechanism in place to construct a costly grade-separated bridge structure.

Due to the UP protest, a hearing before an Administrative Law Judge is pending. As a precursor to the hearing process, staff has met with officials from CPUC and UP about the possibility of reconciling key differences and ultimately obtaining approval for the City's application. Staff, with assistance from the City Attorney, has retained outside counsel specializing in rail issues involving CPUC and UP. This attorney, after having reviewed all documentation and participating in said meetings with CPUC and UP officials, has recommended that the City's position would be better served by withdrawing the current application and developing a more in-depth analysis of the issues raised. Specifically, he recommends providing supporting studies that address the environmental and traffic issues pertaining to future train traffic (both commuter and freight). In addition, the City will most certainly be required to study the feasibility of a grade-separated bridge structure at Madrone Parkway. These actions, staff is told, would improve the City's chances for a successful resolution to this important circulation matter.

Staff recommends withdrawing the application now before the hearing process starts. Withdrawing the application now would allow the City to undertake further studies to determine a sound proposal for addressing the circulation needs in the north end of the City that would be mutually agreeable with CPUC and UP. Staff further recommends that the Council direct staff to return to the Council with a plan for resolving this issue. To complete the recommended studies will take approximately six months. Should the City then submit a new application to CPUC, the approval process could take up to 18 additional months.

FISCAL IMPACT:

No budget adjustment required at this time.



CITY COUNCIL STAFF REPORT

MEETING DATE: *April 23, 2003*

Agenda Item #18

Prepared By:

**Assistant to the City
Manager**

Submitted By:

City Manager

CONSIDERATION OF BECOMING A GREEN CITY

RECOMMENDED ACTION(S):

Provide Direction to Staff

EXECUTIVE SUMMARY: The Bay Area Green Business Program is a successful partnership of agencies and utilities that assists, recognizes, and promotes businesses and government agencies that volunteer to operate in a more environmentally responsible way. To be certified "green," applicants must be in compliance with all regulations and meet program standards for conserving resources, preventing pollution and minimizing waste. It offers motivated businesses and agencies an easy-to-use framework for improving environmental performance.

The Program was developed by Bay Area local governments in collaboration with US EPA, Cal EPA Department of Toxic Substances Control and the business community. The Association of Bay Area Governments coordinates the Program, which is implemented by Green Business Coordinators in 6 participating counties. Over 270 businesses and public agencies have been certified since 1996.

The City currently participates in the County's program and is, in fact, home to the first green business in Santa Clara County, Anritsu. Two other local businesses, Eco Care Housecleaning and Educational Data Systems, are also now green businesses. The City of Palo Alto recently became the first local government to achieve green business certification. After noting their impressive achievement, Councilmember Chang asked staff to evaluate the potential for the Morgan Hill to also seek certification.

Staff has been working on "greening" City operations for several years and thinks that achieving green business status may be possible with relatively minor environmental improvements to the City's operation. The City is already buying recycled paper, has instituted energy saving technologies, and has reduced its use of water. The certification area that may be the toughest to achieve relates to the use of hazardous chemicals. Since so few of the City's operations use hazardous chemicals, it may be difficult to find enough opportunities for enhancements in this area.

Representatives from the County Green Business Program will present more information at the meeting about the program and governmental agencies working to achieve certification.

FISCAL IMPACT: No budget adjustment is requested at this time. If staff is directed to pursue green business certification, potential cost impacts associated with the effort that cannot be accomplished with appropriated funds will be brought back to the Council before they are incurred.